

APPENDIX D
ECONOMIC IMPACT ASSESSMENT
CITY OF LONG BEACH
INCLUSIONARY HOUSING STUDY

June 13, 2003

Table of Contents
City of Long Beach Inclusionary Housing Study
Appendix D: Economic Impact Assessment

| | PAGE |
|--|------|
| A. Land Residual Analysis Methodology and Assumptions | 1 |
| B. Findings, Baseline Housing Prototypes | 4 |
| 1. Rental Housing Prototypes | 4 |
| 2. Owner Housing Prototypes | 5 |
| Attachment 1: Single-Family Home and Condominium Sales Price Data, City of Long Beach | |

List of Tables **Appendix D** **Economic Impact Assessment**

| <u>TABLE</u> | <u>TITLE</u> |
|--------------|---|
| D-1 | City of Long Beach Market Rent Data, December, 2002 |
| D-2 | Estimated Market Home Sales Prices, Long Beach Owner Housing Prototypes |
| D-3 | Market Rent Assumptions, Long Beach Rental Housing Prototypes |
| D-4 | Net Operating Income by Prototype, 100% Market Units, Long Beach Rental Housing Prototypes |
| D-5 | Land Residual Analysis, Long Beach Rental Housing Prototypes, 100% Market Units |
| D-6 | Net Operating Income from Market-Rate Units, Long Beach Rental Housing Prototypes Inclusionary Alternative 1: 10% of Units Affordable at 45% of Area Median Income |
| D-7 | Land Residual Analysis, Rental Housing Prototypes Inclusionary Alternative 1: 10% of Units Affordable at 45% of Area Median Income |
| D-8 | Net Operating Income from Market-Rate Units, Long Beach Rental Housing Prototypes Inclusionary Alternative 2: 10% of Units Affordable at 60% of Area Median Income |
| D-9 | Land Residual Analysis, Rental Housing Prototypes Inclusionary Alternative 2: 10% of Units Affordable at 60% of Area Median Income |
| D-10 | Net Operating Income from Market-Rate Units, Long Beach Rental Housing Prototypes Inclusionary Alternative 3: 15% of Units Affordable at 60% of Area Median Income |

| <u>TABLE</u> | <u>TITLE</u> |
|--------------|--|
| D-11 | Land Residual Analysis, Rental Housing Prototypes Inclusionary Alternative 3: 15% of Units Affordable at 60% of Area Median Income |
| D-12 | Land Residual Analysis, "Package #2": Rental Housing Prototypes with 25% Density Bonus, Fee Deferrals and Affordable Unit Modifications Inclusionary Alternative 1: 10% of Units Affordable at 45% of Area Median Income |
| D-13 | Land Residual Analysis, "Package #3": Rental Housing Prototypes with 50% Density Bonus, Fee Deferrals and Affordable Unit Modifications Inclusionary Alternative 1: 10% of Units Affordable at 45% of Area Median Income |
| D-14 | Land Residual Analysis, "Package #4": Rental Housing Prototypes with Off-Site New Construction Compliance Inclusionary Alternative 1: 10% of Units Affordable at 45% of Area Median Income |
| D-15 | Land Residual Analysis, "Package #5": Rental Housing Prototypes with Off-Site Acquisition/Rehabilitation Compliance and Fee Deferrals Inclusionary Alternative 1: 10% of Units Affordable at 45% of Area Median Income |
| D-16 | Land Residual Analysis, "Package #6": Rental Housing Prototypes with Off-Site Acquisition/Rehabilitation Compliance and Fee Deferrals Inclusionary Alternative 1: 10% of Units Affordable at 45% of Area Median Income |
| D-17 | Long Beach Inclusionary Housing, Land Residual Analysis, Owner Housing Prototypes, 100% Market Sales Prices |
| D-18 | Long Beach Inclusionary Housing, Land Residual Analysis, Owner Housing Prototypes Inclusionary Scenario 1: 10% of Units Affordable at 90% of Area Median Income |

| <u>TABLE</u> | <u>TITLE</u> |
|--------------|--|
| D-19 | Long Beach Inclusionary Housing, Land Residual Analysis, Owner Housing Prototypes Inclusionary Scenario 2: 15% of Units Affordable at 90% of Area Median Income |
| D-20 | Long Beach Inclusionary Housing, Land Residual Analysis, Owner Housing Prototypes Inclusionary Scenario 3: 20% of Units Affordable at 90% of Area Median Income |
| D-21 | Long Beach Inclusionary Housing, Land Residual Analysis "Package #2": Owner Housing Prototypes with 25% Density Bonus, Fee Deferrals and Affordable Unit Modifications Inclusionary Scenario 1: 10% of Units Affordable at 90% of Area Median Income |
| D-22 | Long Beach Inclusionary Housing, Land Residual Analysis "Package #3": Owner Housing Prototypes with 50% Density Bonus, Fee Deferrals and Affordable Unit Modifications Inclusionary Scenario 1: 10% of Units Affordable at 90% of Area Median Income |
| D-23 | Long Beach Inclusionary Housing, Land Residual Analysis "Package #4": Owner Housing Prototypes with Off-Site Compliance, Fee Deferrals and Affordable Unit Modifications Inclusionary Scenario 1: 10% of Units Affordable at 90% of Area Median Income |
| D-24 | Long Beach Inclusionary Housing, Land Residual Analysis "Package #5": Owner Housing Prototypes with Off-Site Rental Multi-Family Acquisition/Rehabilitation Compliance Inclusionary Scenario 1: 10% of Units Affordable at 90% of Area Median Income |
| D-25 | Long Beach Inclusionary Housing, Land Residual Analysis "Package #6": Owner Housing Prototypes with Off-Site Rental Multi-Family Acquisition/Rehabilitation Compliance Inclusionary Scenario 1: 10% of Units Affordable at 90% of Area Median Income |

| <u>TABLE</u> | <u>TITLE</u> |
|--------------|---|
| D-26 | <p>Long Beach Inclusionary Housing, Land Residual Analysis</p> <p>“Package #2”: Owner Housing Prototypes with 25% Density Bonus, Fee Deferrals and Affordable Unit Modifications</p> <p>Inclusionary Scenario 2: 15% of Units Affordable at 90% of Area Median Income</p> |
| D-27 | <p>Long Beach Inclusionary Housing, Land Residual Analysis</p> <p>“Package #3”: Owner Housing Prototypes with 50% Density Bonus, Fee Deferrals and Affordable Unit Modifications</p> <p>Inclusionary Scenario 2: 15% of Units Affordable at 90% of Area Median Income</p> |
| D-28 | <p>Long Beach Inclusionary Housing, Land Residual Analysis</p> <p>“Package #4”: Owner Housing Prototypes with Off-Site Compliance, Fee Deferrals and Affordable Unit Modifications</p> <p>Inclusionary Scenario 2: 15% of Units Affordable at 90% of Area Median Income</p> |
| D-29 | <p>Long Beach Inclusionary Housing, Land Residual Analysis</p> <p>“Package #5”: Owner Housing Prototypes with Off-Site Rental Multi-Family Acquisition/Rehabilitation Compliance</p> <p>Inclusionary Scenario 2: 15% of Units Affordable at 90% of Area Median Income</p> |
| D-30 | <p>Long Beach Inclusionary Housing, Land Residual Analysis</p> <p>“Package #6”: Owner Housing Prototypes with Off-Site Rental Multi-Family Acquisition/Rehabilitation Compliance</p> <p>Inclusionary Scenario 2: 15% of Units Affordable at 90% of Area Median Income</p> |
| D-31 | <p>Long Beach Inclusionary Housing, Land Residual Analysis</p> <p>“Package #2”: Owner Housing Prototypes with 25% Density Bonus, Fee Deferrals and Affordable Unit Modifications</p> <p>Inclusionary Scenario 3: 20% of Units Affordable at 90% of Area Median Income</p> |
| D-32 | <p>Long Beach Inclusionary Housing, Land Residual Analysis</p> <p>“Package #3”: Owner Housing Prototypes with 50% Density Bonus, Fee Deferrals and Affordable Unit Modifications</p> <p>Inclusionary Scenario 3: 20% of Units Affordable at 90% of Area Median Income</p> |

| <u>TABLE</u> | <u>TITLE</u> |
|--------------|---|
| D-33 | <p>Long Beach Inclusionary Housing, Land Residual Analysis</p> <p>“Package #4”: Owner Housing Prototypes with Off-Site Compliance, Fee Deferrals and Affordable Unit Modifications</p> <p>Inclusionary Scenario 3: 20% of Units Affordable at 90% of Area Median Income</p> |
| D-34 | <p>Long Beach Inclusionary Housing, Land Residual Analysis</p> <p>“Package #5”: Owner Housing Prototypes with Off-Site Rental Multi-Family Acquisition/Rehabilitation Compliance</p> <p>Inclusionary Scenario 3: 20% of Units Affordable at 90% of Area Median Income</p> |
| D-35 | <p>Long Beach Inclusionary Housing, Land Residual Analysis</p> <p>“Package #6”: Owner Housing Prototypes with Off-Site Rental Multi-Family Acquisition/Rehabilitation Compliance</p> <p>Inclusionary Scenario 3: 20% of Units Affordable at 90% of Area Median Income</p> |

City of Long Beach Economic Impact Assessment

The section assesses the potential economic impact of alternative inclusionary requirements on housing development economics of residential development in the City of Long Beach. DRA uses a land residual analysis approach to evaluate the change in land values associated with inclusionary housing requirements and offsets/incentives.

A. Land Residual Analysis Methodology and Assumptions

A land residual analysis methodology calculates the value attributed to land from development of a proposed land use on that land. It is commonly used by real estate developers and investors to evaluate development financial feasibility and select among alternative uses for a piece of property.

The land residual methodology calculates the net operating income or net sales revenue generated by development of a proposed land use, and subtracts the costs of development and developer profit to yield the underlying value of the land. When evaluating alternative land use alternatives, the alternative that generates the highest value to a site is considered its highest and best use. An alternative that generates a value to the land that is negative or less than the current market value of the site for another use is not financially feasible.

DRA applied a land residual analysis to each of the six renter and owner prototypes using assumed market rents or sales prices for the units. The residual land value was calculated assuming all market-rate units to determine the basic financial feasibility of the prototype given the economic assumptions employed. The residual land value was then calculated for each of the three affordability standard alternatives to evaluate the effect of the affordable housing requirements on land values. Finally, the residual land value was calculated for various “packages” of affordable housing requirements and offsets/incentives to evaluate the net effect of these packages on land values.

1. Rent Assumptions

Rent assumptions were developed from data provided by REALFACTS on 25 rental properties in the City of Long Beach comprising 4,579 rental units and through a telephone survey of the most recently built properties. This data is summarized in **Table D-1** below. The REALFACTS database includes properties with 100 units or more, and therefore represents larger rental properties. The smallest property in the Long Beach database is 102 units, the largest is 385 units and the average property size is 183 units. The average occupancy rate as of December, 2002 was 95.3 percent.

Table D-1
City of Long Beach Market Rent Data
December, 2002

| Bedrooms/B aths | Units | % Mix | Total SF | Average SF | Average Rent | Average Rent/SF |
|----------------------------|--------------|--------------|-----------------|-------------------|-------------------------|----------------------------|
| 0 BR/ 1 BA | 753 | 16.4% | 343,690 | 456 | \$786 | \$1.72 |
| 1 BR/ 1 BA | 2,042 | 44.7% | 1,343,374 | 658 | \$1,036 | \$1.58 |
| 2 BR/ 1 BA | 578 | 12.6% | 542,789 | 939 | \$1,264 | \$1.35 |
| 2 BR/ 2 BA | 939 | 20.5% | 929,625 | 990 | \$1,491 | \$1.54 |
| 2 TH | 217 | 4.7% | 219,814 | 1,013 | \$1,286 | \$1.27 |
| 3 BR/ 2 BA | 50 | 1.1% | 64,376 | 1,288 | \$1,639 | \$1.27 |
| Totals | 4,579 | 100.0% | 3,443,668 | 752 | \$1,128 | \$1.52 |

Source: REALFACTS; David Paul Rosen & Associates.

REALFACTS data on historical trends in rents for the Long Beach inventory indicates that average rents rose 6.1 percent during 2002, following at 8.6 percent increase in 2001 and an 11.0 percent increase in 2000. Rents increased at an average annual rate of 3.1 percent between 1996 and 2000, compared to 7.6 percent between 2000 and 2002.

Telephone surveys of the most recently built apartment developments in the Dataquick inventory indicate that the rents in these developments are higher than the averages in Table D-1. These higher rents were used in the land residual analysis.

2. Sales Price Assumptions

Sales prices for the owner land residual analysis were developed through a review of sales data from Dataquick Information Systems for recently built single-family homes and condominiums in Long Beach. These sales data are summarized in **Attachment 1**.

The estimated market prices for the owner housing prototypes used in the land residual analysis are listed below. These estimates are considered to represent the lower end of sales prices, particularly for single-family and townhome prototypes (Owner #1 and Owner #2, respectively).

Table D-2
Estimated Market Home Sales Prices
Owner Housing Prototypes
City of Long Beach Inclusionary Housing Study
2003

| Bedroom/Bath Count | Owner #1 | Owner #2 | Owner #3 | Owner #4 |
|--------------------|-----------|-----------|-----------|-----------|
| Lofts | N/A | N/A | N/A | \$300,000 |
| 1 BR | N/A | N/A | \$180,000 | \$300,000 |
| 2 BR/1 BA | N/A | \$250,000 | \$225,000 | \$325,000 |
| 2 BR/2 BA | \$250,000 | N/A | \$248,000 | \$350,000 |
| 3 BR | \$300,000 | \$300,000 | \$315,000 | \$400,000 |

Source: Dataquick Information Systems; David Paul Rosen & Associates.

B. Findings

The land residual analysis was calculated for the baseline rental and owner housing prototypes, assuming all market units, and for inclusionary Scenarios #1, #2 and #3. The tables referred to below are presented at the end of the section.

DRA also calculated residual land values for the rental and owner housing prototypes assuming alternative “packages” of inclusionary requirements and offsets/incentives. For both the renter and owner analyses, the “packages” analyzed are as follows:

- Package 1: No offsets;
- Package 2: 25% density bonus, fee deferrals and affordable unit modifications;
- Package 3: 50% density bonus; fee deferrals and affordable unit modifications;
- Package 4: Off-site compliance, fee deferrals and affordable unit modifications;
and
- Package 5: Multifamily acquisition/rehabilitation compliance and fee deferrals.

The residual land values generated by the prototypes with these “packages” are compared to the residual land values for the prototype assuming all market-rate units.

1. Rental Housing Prototypes

Table D-3 shows the per unit and per square foot rent assumptions for the rental housing prototypes.

Table D-4 projects gross rental income and net operating income by prototype, assuming 100 percent market-rate units. Net operating income is calculated by taking out allowances for vacancies, operating expenses, property taxes and replacement reserves. **Table D-5** calculates the residual land value by prototype assuming 100 percent market-rate units. Net operating income from Table D-4 is capitalized at an assumed cap rate of 8.0 percent.

Table D-6 projects gross rental income and net operating income by prototype for the market-rate units only under inclusionary Scenario #1. **Table D-7** calculates the residual land value by prototype under inclusionary Scenario #1. Net operating income from the inclusionary units is calculated assuming 10 percent of rental units are at rents affordable at 65 percent of area median income, after deducting utility allowances, operating costs, and replacement reserves (as detailed in **Appendix A**). .

Table D-8 projects gross rental income by prototype under inclusionary Scenario #2. **Table D-9** calculates the residual land value by prototype under inclusionary Scenario #2.

Table D-10 projects gross rental income by prototype under inclusionary Scenario #3. **Table D-11** calculates the residual land value by prototype under inclusionary Scenario #3.

As noted above, DRA also calculated residual land values assuming alternative “packages” of incentives and offsets. **Table D-12** presents the results of the land residual analysis with a 10 percent inclusionary requirement (Scenario #1) and incentive Package 2, which assumes a 25 percent density bonus, fee deferrals and affordable unit modifications.

Table D-13 presents the results of the land residual analysis with a 10 percent inclusionary requirement (Scenario #1) and incentive Package 3, which assumes a 50 percent density bonus, fee deferrals and affordable unit modifications;

Table D-14 presents the results of the land residual analysis with a 10 percent inclusionary requirement (Scenario #1) and incentive Package 4, which assumes compliance through construction of affordable units off-site, fee deferrals and affordable unit modifications.

Table D-15 presents the results of the land residual analysis with a 10 percent inclusionary requirement (Scenario #1) and incentive Package 5, which assumes compliance through multifamily rental acquisition/rehabilitation and fee deferrals.

2. Owner Housing Prototypes

Table D-16 calculates the residual land value by prototype assuming all units are sold at market prices.

Table D-17 calculates the residual land value by prototype under inclusionary Scenario #1.

Table D-18 calculates the residual land value by prototype under inclusionary Scenario #2.

Table D-19 calculates the residual land value by prototype under inclusionary Scenario #3.

As for the rental prototypes, DRA also calculated residual land values for the owner prototypes assuming alternative “packages” of incentives and offsets.

Table D-20 presents the results of the land residual analysis with a 10 percent inclusionary requirement (Scenario #1) and incentive Package 2, which assumes a 25 percent density bonus, fee deferrals and affordable unit modifications.

Table D-21 presents the results of the land residual analysis with a 10 percent inclusionary requirement (Scenario #1) and incentive Package 3, which assumes a 50 percent density bonus, fee deferrals and affordable unit modifications;

Table D-22 presents the results of the land residual analysis with a 10 percent inclusionary requirement (Scenario #1) and incentive Package 4, which assumes compliance through construction of affordable units off-site, fee deferrals and affordable unit modifications.

Table D-23 presents the results of the land residual analysis with a 10 percent inclusionary requirement (Scenario #1) and incentive Package 5, which assumes compliance through multifamily rental acquisition/rehabilitation and fee deferrals.

Table D-3
Market Rent Assumptions
Long Beach Rental Housing Prototypes

| Prototype | Renter 1 | Renter 2 |
|--|------------------|--|
| | Townhomes | Type V Stacked Flats Apartments |
| <u>Units by Bedroom Count</u> Total: | 22 | 50 |
| One Bedroom | 4 | 7 |
| Two Bedroom/1 Bath | 3 | 8 |
| Two Bedroom/2 Bath | 11 | 25 |
| Three Bedroom | 4 | 10 |
| Manager's | 0 | 0 |
| <u>Per Unit Monthly Market Rent</u> | | |
| One Bedroom | \$1,200 | \$1,100 |
| Two Bedroom/1 Bath | \$1,475 | \$1,450 |
| Two Bedroom/2 Bath | \$1,800 | \$1,750 |
| Three Bedroom | \$1,950 | \$1,900 |
| Average | \$1,674 | \$1,641 |
| <u>Per Sq. Ft. Monthly Market Rent</u> | | |
| One Bedroom | \$1.33 | \$1.38 |
| Two Bedroom/1 Bath | \$1.55 | \$1.53 |
| Two Bedroom/2 Bath | \$1.80 | \$1.75 |
| Three Bedroom | \$1.63 | \$1.58 |

Source: REALFACTS; David Paul Rosen & Associates

Table D-4
Net Operating Income By Prototype, 100% Market Units
Long Beach Rental Housing Prototypes

| Prototype | Renter 1 | Renter 2 |
|---|------------------|--|
| | Townhomes | Type V Stacked Flats Apartments |
| Units by Bedroom Count Total | 22 | 50 |
| Loft | 0 | 0 |
| One Bedroom | 4 | 7 |
| Two Bedroom/1 Bath | 3 | 8 |
| Two Bedroom/2 Bath | 11 | 25 |
| Three Bedroom | 4 | 10 |
| Manager's | 0 | 0 |
| Net Operating Income | | |
| Gross Rents by Bedroom Count | | |
| Loft | \$0 | \$0 |
| One Bedroom | \$57,600 | \$92,400 |
| Two Bedroom/1 Bath | \$53,100 | \$139,200 |
| Two Bedroom/2 Bath | \$237,600 | \$525,000 |
| Three Bedroom | \$93,600 | \$228,000 |
| Total Gross Rents | \$441,900 | \$984,600 |
| Less: Vacancy 5.00% | \$22,095 | \$49,230 |
| Effective Gross Income | \$419,805 | \$935,370 |
| Less: Operating Expenses/Reserves (1) | \$89,210 | \$201,350 |
| Net Operating Income | \$330,595 | \$734,020 |
| (1) Total Per Unit Oper. Costs/Reserves | \$4,055 | \$4,027 |
| Annual Operating Costs/Unit | \$2,600 | \$2,600 |
| Annual Property Taxes/Unit | \$1,205 | \$1,177 |
| % Development Value 1.20% | | |
| Annual Replace. Reserves/Unit | \$250 | \$250 |

(1) Includes operating expenses, property taxes and insurance. Source of operating costs: Institute of Real Estate Management.

Source: REALFACTS, Institute of Real Estate Management; David Paul Rosen & Associates

Table D-5
Land Residual Analysis
Long Beach Rental Housing Prototypes
100% Market Units

| | Renter 1 | Renter 2 |
|--|-------------|------------------------------------|
| Prototype | Townhomes | Type V Stacked Flats Apartments |
| Number of Units | 22 Units | 50 Units |
| Net Operating Income | \$330,595 | \$734,020 |
| Capitalized Value 8.00% | \$4,132,438 | \$9,175,250 |
| Total Direct Cost (Except Land) | \$3,433,550 | \$7,463,266 |
| Land Value Per Unit | \$31,768 | \$34,240 |
| Land Value Per Square Foot | \$18.23 | \$55.04 |

Source: David Paul Rosen & Associates

Table D-6
Net Operating Income From Market-Rate Units
Long Beach Rental Housing Prototypes
Inclusionary Alternative 1: 10% of Units Affordable at 45% of Area Median Income

| Prototype | Renter 1 Townhomes | Renter 2 Type V Stacked Flats Apartments |
|--|-------------------------------|---|
| Total Units | 22 | 50 |
| Market-Rate Units By Bedroom Count | | |
| One Bedroom | 3 | 6 |
| Two Bedroom/1 Bath | 3 | 7 |
| Two Bedroom/2 Bath | 10 | 23 |
| Three Bedroom | 4 | 9 |
| Total Market-Rate Units | 20 | 45 |
| <u>Net Operating Income:</u> | | |
| Gross Market Rents by Bedroom Count | | |
| One Bedroom | \$43,200 | \$79,200 |
| Two Bedroom/1 Bath | \$53,100 | \$121,800 |
| Two Bedroom/2 Bath | \$216,000 | \$483,000 |
| Three Bedroom | \$93,600 | \$205,200 |
| Total Gross Rents | \$405,900 | \$889,200 |
| Less: Vacancy 5.00% | \$20,295 | \$44,460 |
| Effective Gross Income | \$385,605 | \$844,740 |
| Less: Operating Expenses/Reserves (1) | \$81,100 | \$181,215 |
| Net Operating Income | \$304,505 | \$663,525 |
| (1) Total Per Unit Oper. Costs/Reserves | \$4,055 | \$4,027 |
| Annual Operating Costs/Unit | \$2,600 | \$2,600 |
| Annual Property Taxes/Unit | \$1,205 | \$1,177 |
| % Development Value 1.20% | | |
| Annual Replace. Reserves/Unit | \$250 | \$250 |

(1) Includes operating expenses, property taxes and insurance. Source of operating costs: Institute of Source: REALFACTS, Institute of Real Estate Management; David Paul Rosen & Associates

Table D-7
Land Residual Analysis
Long Beach Rental Housing Prototypes
Inclusionary Alternative 1: 10% of Units Affordable at 45% of Area Median Income

| Prototype | Renter 1 | Renter 2 |
|--|-------------|------------------------------------|
| | Townhomes | Type V Stacked Flats Apartments |
| Total Units | 22 Units | 50 Units |
| Inclusionary Units, Scenario 1: | 2 | 5 |
| 45% AMI 10.0% | 2 | 5 |
| 60% AMI 0.0% | 0 | 0 |
| Net Operating Income | | |
| Inclusionary Units | \$3,635 | \$11,875 |
| Market Units | \$304,505 | \$663,525 |
| Total NOI--All Units | \$308,140 | \$675,400 |
| Capitalized Value 8.00% | \$3,851,747 | \$8,442,500 |
| Total Direct Cost (Except Land) | \$3,433,550 | \$7,463,266 |
| Land Value Per Unit | \$19,009 | \$19,585 |
| Land Value Per Square Foot | \$10.91 | \$31.48 |

Source: David Paul Rosen & Associates

Table D-8
Net Operating Income From Market-Rate Units
Long Beach Rental Housing Prototypes
Inclusionary Scenario #2: 10% of Units Affordable at 60% of Area Median Income

| | Renter 1 | Renter 2 |
|---|-----------|------------------------------------|
| Prototype | Townhomes | Type V Stacked Flats Apartments |
| Total Units | 22 | 50 |
| Market-Rate Units By Bedroom Count | | |
| One Bedroom | 3 | 6 |
| Two Bedroom/1 Bath | 3 | 7 |
| Two Bedroom/2 Bath | 10 | 23 |
| Three Bedroom | 4 | 9 |
| Total Market-Rate Units | 20 | 45 |
| <u>Net Operating Income</u> | | |
| Gross Market Rents by Bedroom Count | | |
| One Bedroom | \$43,200 | \$79,200 |
| Two Bedroom/1 Bath | \$53,100 | \$121,800 |
| Two Bedroom/2 Bath | \$216,000 | \$483,000 |
| Three Bedroom | \$93,600 | \$205,200 |
| Total Gross Rents | \$405,900 | \$889,200 |
| Less: Vacancy 5.00% | \$20,295 | \$44,460 |
| Effective Gross Income | \$385,605 | \$844,740 |
| Less: Operating Expenses/Reserves (1) | \$81,100 | \$181,215 |
| Net Operating Income | \$304,505 | \$663,525 |
| (1) Total Per Unit Oper. Costs/Reserves | \$4,055 | \$4,027 |
| Annual Operating Costs/Unit | \$2,600 | \$2,600 |
| Annual Property Taxes/Unit | \$1,205 | \$1,177 |
| % Development Value 1.20% | | |
| Annual Replace. Reserves/Unit | \$250 | \$250 |

(1) Includes operating expenses, property taxes, insurance and capital expenses/replacement reserves.
Source: David Paul Rosen & Associates

Table D-9
Land Residual Analysis
Long Beach Rental Housing Prototypes
Inclusionary Scenario #2: 10% of Units Affordable at 60% of Area Median Income

| | Renter 1 | Renter 2 |
|--|-------------|------------------------------------|
| Prototype | Townhomes | Type V Stacked Flats Apartments |
| Total Units | 22 Units | 50 Units |
| Inclusionary Units, Scenario 1: | | |
| SSI 0.0% | 2 | 5 |
| 45% AMI 0.0% | 0 | 0 |
| 60% AMI 10.0% | 0 | 0 |
| 90% AMI 0.0% | 2 | 5 |
| | 0 | 0 |
| Net Operating Income | | |
| Inclusionary Units | \$8,058 | \$24,062 |
| Market Units | \$304,505 | \$663,525 |
| Total NOI--All Units | \$312,563 | \$687,587 |
| Capitalized Value 8.00% | \$3,907,037 | \$8,594,839 |
| Total Direct Cost (Except Land) | \$3,433,550 | \$7,463,266 |
| Land Value Per Unit | \$21,522 | \$22,631 |
| Land Value Per Square Foot | \$12.35 | \$36.38 |

Source: David Paul Rosen & Associates

Table D-10
Net Operating Income From Market-Rate Units
Long Beach Rental Housing Prototypes
Inclusionary Scenario #3: 15% of Units Affordable at 60% of Area Median Income

| | Renter 1 | Renter 2 |
|---|-----------|------------------------------------|
| Prototype | Townhomes | Type V Stacked Flats Apartments |
| Total Units | 22 | 50 |
| Market-Rate Units By Bedroom Count | | |
| One Bedroom | 3 | 6 |
| Two Bedroom/1 Bath | 3 | 7 |
| Two Bedroom/2 Bath | 10 | 22 |
| Three Bedroom | 3 | 8 |
| Total Market-Rate Units | 19 | 43 |
| <u>Net Operating Income</u> | | |
| Gross Market Rents by Bedroom Count | | |
| One Bedroom | \$43,200 | \$79,200 |
| Two Bedroom/1 Bath | \$53,100 | \$121,800 |
| Two Bedroom/2 Bath | \$216,000 | \$462,000 |
| Three Bedroom | \$70,200 | \$182,400 |
| Total Gross Rents | \$382,500 | \$845,400 |
| Less: Vacancy 5.00% | \$19,125 | \$42,270 |
| Effective Gross Income | \$363,375 | \$803,130 |
| Less: Operating Expenses/Reserves (1) | \$77,045 | \$173,161 |
| Net Operating Income | \$286,330 | \$629,969 |
| (1) Total Per Unit Oper. Costs/Reserves | \$4,055 | \$4,027 |
| Annual Operating Costs/Unit | \$2,600 | \$2,600 |
| Annual Property Taxes/Unit | \$1,205 | \$1,177 |
| % Development Value 1.20% | | |
| Annual Replace. Reserves/Unit | \$250 | \$250 |
| % Hard Costs 0.40% | | |

(1) Includes operating expenses, property taxes, insurance and capital expenses/replacement reserves.

Source: David Paul Rosen & Associates

Table D-11
Land Residual Analysis
Long Beach Rental Housing Prototypes
Inclusionary Scenario #3: 15% of Units Affordable at 60% of Area Median Income

| | Renter 1 | Renter 2 |
|--|-------------|------------------------------------|
| Prototype | Townhomes | Type V Stacked Flats Apartments |
| Total Units | 22 Units | 50 Units |
| Inclusionary Units, Scenario 3: | 3 | 7 |
| 45% AMI 0.0% | 0 | 0 |
| 60% AMI 15.0% | 3 | 7 |
| 90% AMI 0.0% | 0 | 0 |
| Net Operating Income | | |
| Inclusionary Units | \$14,176 | \$35,109 |
| Market Units | \$286,330 | \$629,969 |
| Total NOI--All Units | \$300,506 | \$665,078 |
| Capitalized Value 8.00% | \$3,756,329 | \$8,313,479 |
| Total Direct Cost (Except Land) | \$3,433,550 | \$7,463,266 |
| Land Value Per Unit | \$14,672 | \$17,004 |
| Land Value Per Square Foot | \$8.42 | \$27.34 |

Source: David Paul Rosen & Associates

Table D-12
Land Residual Analysis
"Package #2": Rental Housing Prototypes Fee Deferrals and Affordable Unit Modifications
Inclusionary Alternative 1: 10% of Units Affordable at 45% of Area Median Income

| | Renter 1 | Renter 2 |
|---|-------------|------------------------------------|
| Prototype | Townhomes | Type V Stacked Flats Apartments |
| Total Units | 28 Units | 63 Units |
| Inclusionary Units, Scenario 1: | 3 | 6 |
| 45% AMI 10.0% | 3 | 6 |
| 60% AMI 0.0% | 0 | 0 |
| Total Direct Cost (Except Land) | \$3,433,550 | \$7,463,266 |
| Less: Fee Deferral Cost Savings | \$17,083 | \$38,221 |
| Less: Afford. Unit Design Modif. | \$77,369 | \$138,596 |
| Net Direct Cost | \$3,339,098 | \$7,286,448 |
| Net Operating Income | | |
| Inclusionary Units | \$3,635 | \$3,635 |
| Market Units | \$304,505 | \$663,525 |
| Total NOI--All Units | \$308,140 | \$667,160 |
| Capitalized Value 8.00% | \$3,851,747 | \$8,339,497 |
| Net Direct Cost (Except Land) | \$3,339,098 | \$7,286,448 |
| Land Value Per Unit | \$18,309 | \$16,715 |
| Land Value Per Square Foot | \$13.37 | \$33.86 |

Source: David Paul Rosen & Associates

Table D-13
Land Residual Analysis

"Package #3": Rental Housing Prototypes With 25% Density Bonus, Fee Deferrals and Affordable Unit Modifications
Inclusionary Alternative 1: 10% of Units Affordable at 45% of Area Median Income

| | Renter 1 | Renter 2 |
|---|-------------|------------------------------------|
| Prototype | Townhomes | Type V Stacked Flats Apartments |
| Total Units | 28 Units | 63 Units |
| Inclusionary Units, Scenario 1: | 3 | 6 |
| 45% AMI 10.0% | 3 | 6 |
| 60% AMI 0.0% | 0 | 0 |
| Total Direct Cost (Except Land) | \$4,166,915 | \$9,243,215 |
| Less: Fee Deferral Cost Savings | \$21,703 | \$48,090 |
| Less: Afford. Unit Design Modif. | \$116,053 | \$166,316 |
| Net Direct Cost | \$4,029,159 | \$9,028,809 |
| Net Operating Income | | |
| Inclusionary Units | \$6,052 | \$14,320 |
| Market Units | \$377,995 | \$836,361 |
| Total NOI--All Units | \$384,047 | \$850,681 |
| Capitalized Value 8.00% | \$4,800,583 | \$10,633,511 |
| Net Direct Cost (Except Land) | \$4,029,159 | \$9,028,809 |
| Land Value Per Unit | \$27,551 | \$25,471 |
| Land Value Per Square Foot | \$20.12 | \$51.60 |

Source: David Paul Rosen & Associates

Table D-14
Land Residual Analysis
"Package #4": Rental Housing Prototypes With 50% Density Bonus, Fee Deferrals, and Affordable Unit Modifications
Inclusionary Alternative 1: 10% of Units Affordable at 45% of Area Median Income

| | Renter 1 | Renter 2 |
|---|-------------|------------------------------------|
| Prototype | Townhomes | Type V Stacked Flats Apartments |
| Total Units | 33 Units | 75 Units |
| Inclusionary Units, Scenario 1: | 3 | 8 |
| 45% AMI 10.0% | 3 | 8 |
| 60% AMI 0.0% | 0 | 0 |
| Total Direct Cost (Except Land) | \$4,754,413 | \$10,869,580 |
| Less: Fee Deferral Cost Savings | \$25,488 | \$57,204 |
| Less: Afford. Unit Design Modif. | \$116,053 | \$221,754 |
| Net Direct Cost (Except Land) | \$4,612,872 | \$10,590,622 |
| Net Operating Income | | |
| Inclusionary Units | \$6,052 | \$20,059 |
| Market Units | \$449,775 | \$975,641 |
| Total NOI--All Units | \$455,827 | \$995,700 |
| Capitalized Value 8.00% | \$5,697,833 | \$12,446,253 |
| Net Direct Cost (Except Land) | \$4,612,872 | \$10,590,622 |
| Land Value Per Unit | \$32,878 | \$24,742 |
| Land Value Per Square Foot | \$28.30 | \$59.66 |
| Market Land Sales Comparables | | |
| "Low" | \$0.00 | \$0.00 |
| "Moderate" | \$6.00 | \$0.00 |
| "High" | \$3,732.22 | \$0.00 |

Source: David Paul Rosen & Associates

Table D-15
Land Residual Analysis
"Package #5": Rental Housing Prototypes with Off-Site New Construction Compliance
Inclusionary Alternative 1: 10% of Units Affordable at 45% of Area Median Income

| Prototype | Renter 1 Townhomes | Renter 2 Type V Stacked Flats Apartments |
|--|-----------------------|--|
| Total Units, On- and Off-Site | 24 Units | 55 Units |
| On-Site Market Units | 22 Units | 50 Units |
| Off-Site Inclusionary Units, Scenario 1: | | |
| 45% AMI 10.0% | 2 | 5 |
| 60% AMI 0.0% | 2 | 5 |
| | 0 | 0 |
| Total Cost (Except Land), On-Site Units | \$3,433,550 | \$7,463,266 |
| Total Cost (Incl. Land), Off-Site Units (1) | \$267,928 | \$669,819 |
| Less: Fee Deferral Cost Savings | \$18,637 | \$42,043 |
| Less: Afford. Unit Design Modif. | \$77,369 | \$138,596 |
| Net Direct Cost | \$3,605,472 | \$7,952,445 |
| Net Operating Income | | |
| Inclusionary Units | \$3,635 | \$11,875 |
| Market Units | \$330,595 | \$734,020 |
| Total NOI--All Units | \$334,230 | \$745,895 |
| Capitalized Value @ 8.00% | \$4,177,872 | \$9,323,688 |
| Net Direct Cost | \$3,605,472 | \$7,952,445 |
| Land Value Per Unit | \$26,018 | \$27,425 |
| Land Value Per Square Foot | \$14.93 | \$44.09 |

(1) Total development costs, including land, for off-site inclusionary units at "low" land costs.
Source: David Paul Rosen & Associates

Table D-16
Land Residual Analysis

"Package #6": Rental Housing Prototypes with Off-Site Acquisition/Rehabilitation Compliance and Fee Deferrals
Inclusionary Alternative 1: 10% of Units Affordable at 45% of Area Median Income

| Prototype | Renter 1 Townhomes | Renter 2 Type V Stacked Flats Apartments |
|--|---------------------------|--|
| Total Units, On- and Off-Site | 24 Units | 55 Units |
| On-Site Market Units | 22 Units | 50 Units |
| Off-Site Inclusionary Units, Scenario 1: | | |
| SSI 0.0% | 2 | 5 |
| | 0 | 0 |
| 45% AMI 10.0% | 2 | 5 |
| 60% AMI 0.0% | 0 | 0 |
| 90% AMI 0.0% | 0 | 0 |
| Total Direct Cost Per Unit (Excluding Land) | \$156,070 | \$149,265 |
| Total Acq./Rehab. Per Unit (1) | \$113,000 | \$113,000 |
| Total Direct Cost (Excluding Land) (2) | \$3,659,550 | \$8,028,266 |
| Less: Cost Savings from Fee Deferral (3) | \$17,083 | \$38,221 |
| Net Direct Cost (Excluding Land) | \$3,642,466 | \$7,990,045 |
| Net Operating Income | | |
| Inclusionary Units | \$3,635 | \$11,875 |
| Market Units: "Low" Mkt Rents | \$330,595 | \$734,020 |
| Total NOI--All Units | \$334,230 | \$745,895 |
| Capitalized Value 8.00% | \$4,177,872 | \$9,323,688 |
| Net Direct Cost (Excluding Land) | \$3,642,466 | \$7,990,045 |
| Land Value Per Unit (4) | \$24,337 | \$26,673 |
| Land Value Per Square Foot | \$13.97 | \$42.88 |

(1) Based on "moderate" unit acquisition cost scenario.

(2) Includes total development cost excluding land for on-site units and total acquisition/rehabilitation costs for offsite (ir

(3) Includes fee deferral for on-site (non-inclusionary) units only

(4) Calculated based on number of on-site (non-inclusionary) units.

Source: David Paul Rosen & Associates

Table D-17
Long Beach Inclusionary Housing Analysis
Land Residual Analysis
Owner Housing Prototypes
100% Market Sales Prices

| | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|---------------------------------------|---------------------------|-------------|-------------------------------|-----------------------------|
| Prototype: | Small Lot S-F Detached | Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units: | 10 | 22 | 50 | 100 |
| Units by Bedroom Count | | | | |
| Lofts | 0 | 0 | 0 | 10 |
| One Bedroom | 0 | 0 | 7 | 10 |
| Two Bedroom/1 Bath | 0 | 13 | 8 | 10 |
| Two Bedroom/2 Bath | 4 | 0 | 25 | 50 |
| Three Bedroom | 6 | 9 | 10 | 20 |
| Per Unit Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$300,000 |
| One Bedroom | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Market Sales Price Per Sq. Ft. | | | | |
| Lofts | N/A | N/A | N/A | \$375 |
| One Bedroom | N/A | N/A | \$225 | \$375 |
| Two Bedroom/1 Bath | N/A | \$227 | \$225 | \$325 |
| Two Bedroom/2 Bath | \$217 | N/A | \$225 | \$318 |
| Three Bedroom | \$222 | \$231 | \$225 | \$286 |
| Total Market Sales Income | | | | |
| Lofts | N/A | N/A | N/A | \$3,000,000 |
| One Bedroom | N/A | N/A | \$1,260,000 | \$3,000,000 |
| Two Bedroom/1 Bath | N/A | \$3,250,000 | \$1,800,000 | \$3,250,000 |
| Two Bedroom/2 Bath | \$1,000,000 | N/A | \$6,200,000 | \$17,500,000 |
| Three Bedroom | \$1,800,000 | \$2,700,000 | \$3,150,000 | \$8,000,000 |
| Total Gross Sales Income | \$2,800,000 | \$5,950,000 | \$12,410,000 | \$34,750,000 |
| Total Direct Cost (1) | \$1,809,494 | \$4,376,021 | \$9,277,044 | \$31,772,975 |
| Residual Land Value | \$990,506 | \$1,573,979 | \$3,132,956 | \$2,977,025 |
| Land Value Per Unit | \$99,051 | \$71,545 | \$62,659 | \$29,770 |
| Land Value Per Square Foot | \$27.15 | \$41.06 | \$101.30 | \$68.34 |

(1) Excludes land; includes sales commissions and selling/closing costs.

Source: Interviews with Los Angeles area developers; Dataquick Information Service;

Table D-18
Long Beach Inclusionary Housing Analysis
Land Residual Analysis
Owner Housing Prototypes
Inclusionary Scenario 1: 10% of Units Affordable at 90% of Area Median Income

| | | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|--|-------|---------------------------|----------------|-------------------------------|-----------------------------|
| Prototype: | | Small Lot S-F Detached | 0 Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units: | | 10 | 22 | 50 | 100 |
| Inclusionary Units, Scenario 1: | | 1 | 2 | 5 | 10 |
| 90% AMI | 10.0% | 1 | 2 | 5 | 10 |
| 110% AMI | 0.0% | 0 | 0 | 0 | 0 |
| 110% AMI | 0.0% | 0 | 0 | 0 | 0 |
| Per Unit Market Sales Prices | | | | | |
| Lofts | | N/A | N/A | N/A | \$300,000 |
| One Bedroom | | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Total Market Sales Prices | | | | | |
| Lofts | | N/A | N/A | N/A | \$2,700,000 |
| One Bedroom | | N/A | N/A | \$1,080,000 | \$2,700,000 |
| Two Bedroom/1 Bath | | N/A | \$3,000,000 | \$1,575,000 | \$2,925,000 |
| Two Bedroom/2 Bath | | \$1,000,000 | N/A | \$5,704,000 | \$15,750,000 |
| Three Bedroom | | \$1,500,000 | \$2,400,000 | \$2,835,000 | \$7,200,000 |
| Gross Sales Income, Market Units | | \$2,500,000 | \$5,400,000 | \$11,194,000 | \$31,275,000 |
| Gross Sales Income, Inclusionary Units (1) | | \$165,761 | \$307,704 | \$702,619 | \$1,405,238 |
| Total Gross Sales | | \$2,665,761 | \$5,707,704 | \$11,896,619 | \$32,680,238 |
| Total Direct Cost (2) | | \$1,809,494 | \$4,376,021 | \$9,277,044 | \$31,772,975 |
| Residual Land Value | | \$856,266 | \$1,331,683 | \$2,619,575 | \$907,263 |
| Land Value Per Unit | | \$85,627 | \$60,531 | \$52,391 | \$9,073 |
| Land Value Per Square Foot | | \$23.47 | \$34.74 | \$84.70 | \$20.83 |

(1) Assumes inclusionary units are sold at an affordable housing cost (including mortgage principal interest, taxes, insurance, homeowners association dues and utilities) to a household earning 90% of area median , adjusted for household size.

(2) Includes sales commissions and selling/closing costs.

Source: Interviews with Los Angeles area developers; Dataquick Information Service;

Table D-19
Long Beach Inclusionary Housing Analysis
Land Residual Analysis
Owner Housing Prototypes
Inclusionary Scenario 2: 15% of Units Affordable at 90% of Area Median Income

| | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|--|---------------------------|-------------|-------------------------------|-----------------------------|
| Prototype: | Small Lot S-F Detached | Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units: | 10 | 22 | 50 | 100 |
| Inclusionary Units, Scenario 2: | 1 | 3 | 7 | 15 |
| 90% AMI 15.0% | 1 | 3 | 7 | 15 |
| 110% AMI 0.0% | 0 | 0 | 0 | 0 |
| 110% AMI 0.0% | 0 | 0 | 0 | 0 |
| Per Unit Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$300,000 |
| One Bedroom | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Total Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$2,400,000 |
| One Bedroom | N/A | N/A | \$1,080,000 | \$2,400,000 |
| Two Bedroom/1 Bath | N/A | \$2,750,000 | \$1,575,000 | \$2,600,000 |
| Two Bedroom/2 Bath | \$1,000,000 | N/A | \$5,208,000 | \$15,050,000 |
| Three Bedroom | \$1,500,000 | \$2,400,000 | \$2,835,000 | \$7,200,000 |
| Gross Sales Income, Market Units (1) | \$2,500,000 | \$5,150,000 | \$10,698,000 | \$29,650,000 |
| Gross Sales Income, Inclusionary Units | \$165,761 | \$449,647 | \$986,506 | \$2,053,125 |
| Total Gross Sales | \$2,665,761 | \$5,599,647 | \$11,684,506 | \$31,703,125 |
| Total Direct Cost (2) | \$1,809,494 | \$4,376,021 | \$9,277,044 | \$31,772,975 |
| Residual Land Value | \$856,266 | \$1,223,626 | \$2,407,462 | (\$69,850) |
| Land Value Per Unit | \$85,627 | \$55,619 | \$48,149 | (\$699) |
| Land Value Per Square Foot | \$23.47 | \$31.92 | \$77.84 | (\$1.60) |

(1) Assumes inclusionary units are sold at an affordable housing cost (including mortgage principal interest, taxes, insurance, homeowners association dues and utilities) to a household earning 90% of area median , adjusted for household size.

(2) Includes sales commissions and selling/closing costs.

Source: Interviews with Los Angeles area developers; Dataquick Information Service;

Table D-20
Long Beach Inclusionary Housing Analysis
Land Residual Analysis
Owner Housing Prototypes
Inclusionary Scenario 3: 20% of Units Affordable at 90% of Area Median Income

| | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|--|---------------------------|-------------|-------------------------------|-----------------------------|
| Prototype: | Small Lot S-F Detached | Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units: | 10 | 22 | 50 | 100 |
| Inclusionary Units, Scenario 3: | | | | |
| 90% AMI 20.0% | 2 | 4 | 10 | 20 |
| 110% AMI 0.0% | 2 | 4 | 10 | 20 |
| 110% AMI 0.0% | 0 | 0 | 0 | 0 |
| 110% AMI 0.0% | 0 | 0 | 0 | 0 |
| Per Unit Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$300,000 |
| One Bedroom | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Total Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$2,400,000 |
| One Bedroom | N/A | N/A | \$1,080,000 | \$2,400,000 |
| Two Bedroom/1 Bath | N/A | \$2,500,000 | \$1,350,000 | \$2,600,000 |
| Two Bedroom/2 Bath | \$750,000 | N/A | \$4,960,000 | \$14,000,000 |
| Three Bedroom | \$1,500,000 | \$2,400,000 | \$2,520,000 | \$6,400,000 |
| Gross Sales Income, Market Units (1) | \$2,250,000 | \$4,900,000 | \$9,910,000 | \$27,800,000 |
| Gross Sales Income, Inclusionary Units | \$307,704 | \$591,591 | \$1,436,153 | \$2,810,477 |
| Total Gross Sales | \$2,557,704 | \$5,491,591 | \$11,346,153 | \$30,610,477 |
| Total Direct Cost (2) | \$1,809,494 | \$4,376,021 | \$9,277,044 | \$31,772,975 |
| Residual Land Value | \$748,210 | \$1,115,570 | \$2,069,109 | (\$1,162,499) |
| Land Value Per Unit | \$74,821 | \$50,708 | \$41,382 | (\$11,625) |
| Land Value Per Square Foot | \$20.51 | \$29.10 | \$66.90 | (\$26.69) |

(1) Assumes inclusionary units are sold at an affordable housing cost (including mortgage principal interest, taxes, insurance, homeowners association dues and utilities) to a household earning 90% of area median , adjusted for household size.

(2) Includes sales commissions and selling/closing costs.

Source: Interviews with Los Angeles area developers; Dataquick Information Service;

Table D-21
Long Beach Inclusionary Housing Analysis
Land Residual Analysis
"Package 2": Owner Housing Prototypes with Fee Deferral and Affordable Unit Design Modifications
Inclusionary Scenario 1: 10% of Units Affordable at 90% of Area Median Income

| | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|--|---------------------------|-------------|-------------------------------|-----------------------------|
| Prototype: | Small Lot S-F Detached | Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units: | 10 | 22 | 50 | 100 |
| Inclusionary Units, Scenario 1: | 2 | 6 | 12 | 26 |
| 90% AMI 10.0% | 1 | 3 | 6 | 13 |
| Per Unit Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$300,000 |
| One Bedroom | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Total Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$2,700,000 |
| One Bedroom | N/A | N/A | \$1,080,000 | \$2,700,000 |
| Two Bedroom/1 Bath | N/A | \$3,000,000 | \$1,575,000 | \$2,925,000 |
| Two Bedroom/2 Bath | \$1,000,000 | N/A | \$5,704,000 | \$15,750,000 |
| Three Bedroom | \$1,500,000 | \$2,400,000 | \$2,835,000 | \$7,200,000 |
| Gross Sales Income, Market Units | \$2,500,000 | \$5,400,000 | \$11,194,000 | \$31,275,000 |
| Gross Sales Income, Inclusionary Units (1) | \$165,761 | \$307,704 | \$702,619 | \$1,405,238 |
| Total Gross Sales | \$2,665,761 | \$5,707,704 | \$11,896,619 | \$32,680,238 |
| Total Direct Cost Except Land (2) | \$1,809,494 | \$4,376,021 | \$9,277,044 | \$31,772,975 |
| Less: Fee Deferral Cost Savings | \$7,576 | \$19,196 | \$50,397 | \$100,584 |
| Less: Afford. Unit Design Modif. | \$47,370 | \$82,283 | \$151,481 | \$422,660 |
| Net Direct Cost Except Land | \$1,754,548 | \$4,274,542 | \$9,075,166 | \$31,249,732 |
| Residual Land Value | \$911,212 | \$1,433,162 | \$2,821,454 | \$1,430,506 |
| Land Value Per Unit | \$91,121 | \$65,144 | \$56,429 | \$14,305 |
| Land Value Per Square Foot | \$24.98 | \$37.39 | \$91.23 | \$32.84 |

(1) Assumes inclusionary units are sold at an affordable housing cost (including mortgage principal interest, taxes, insurance, homeowners association dues and utilities) to a household earning 90% of area median , adjusted for household size.

(2) Includes sales commissions and selling/closing costs.

Source: Interviews with Los Angeles area developers; Dataquick Information Service;

Table D-22
Long Beach Inclusionary Housing Analysis
Land Residual Analysis

"Package 3": Owner Housing Prototypes with 25% Density Bonus, Fee Deferral and Affordable Unit Design Modifications
Inclusionary Scenario 1: 10% of Units Affordable at 90% of Area Median Income

| | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|--|---------------------------|-------------|-------------------------------|-----------------------------|
| Prototype: | Small Lot S-F Detached | Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units: | 13 | 28 | 63 | 125 |
| Inclusionary Units, Scenario 1: | 2 | 6 | 12 | 26 |
| 90% AMI 10.0% | 1 | 3 | 6 | 13 |
| Per Unit Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$300,000 |
| One Bedroom | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Total Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$3,600,000 |
| One Bedroom | N/A | N/A | \$1,440,000 | \$3,600,000 |
| Two Bedroom/1 Bath | N/A | \$3,750,000 | \$2,025,000 | \$3,900,000 |
| Two Bedroom/2 Bath | \$1,000,000 | N/A | \$7,192,000 | \$19,950,000 |
| Three Bedroom | \$2,400,000 | \$3,000,000 | \$3,465,000 | \$7,600,000 |
| Gross Sales Income, Market Units | \$3,400,000 | \$6,750,000 | \$14,122,000 | \$38,650,000 |
| Gross Sales Income, Inclusionary Units (1) | \$165,761 | \$474,187 | \$940,555 | \$2,119,766 |
| Total Gross Sales | \$3,565,761 | \$7,224,187 | \$15,062,555 | \$40,769,766 |
| Total Direct Cost Except Land (2) | \$2,130,329 | \$5,488,150 | \$11,889,228 | \$40,457,341 |
| Less: Fee Deferral Cost Savings | \$9,764 | \$24,355 | \$63,345 | \$125,188 |
| Less: Afford. Unit Design Modif. | \$47,370 | \$123,425 | \$181,778 | \$549,457 |
| Net Direct Cost Except Land | \$2,073,195 | \$5,340,370 | \$11,644,105 | \$39,782,696 |
| Residual Land Value | \$1,492,566 | \$1,883,817 | \$3,418,450 | \$987,070 |
| Land Value Per Unit | \$114,813 | \$67,279 | \$54,261 | \$7,897 |
| Land Value Per Square Foot | \$40.91 | \$49.14 | \$110.53 | \$22.66 |

(1) Assumes inclusionary units are sold at an affordable housing cost (including mortgage principal interest, taxes, insurance, homeowners association dues and utilities) to a household earning 90% of area median , adjusted for household size.

(2) Includes sales commissions and selling/closing costs.

Source: Interviews with Los Angeles area developers; Dataquick Information Service;

Table D-23
Long Beach Inclusionary Housing Analysis
Land Residual Analysis

"Package 4": Owner Housing Prototypes With 50% Density Bonus, Fee Deferral and Affordable Unit Design Modifications
Inclusionary Scenario 1: 10% of Units Affordable at 90% of Area Median Income

| | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|--|---------------------------|-------------|-------------------------------|-----------------------------|
| Prototype: | Small Lot S-F Detached | Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units: | 15 | 33 | 75 | 150 |
| Inclusionary Units, Scenario 1: | 2 | 3 | 7 | 15 |
| 90% AMI 10.0% | 2 | 3 | 7 | 15 |
| Per Unit Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$300,000 |
| One Bedroom | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Total Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$3,900,000 |
| One Bedroom | N/A | N/A | \$1,800,000 | \$3,900,000 |
| Two Bedroom/1 Bath | N/A | \$4,500,000 | \$2,475,000 | \$4,225,000 |
| Two Bedroom/2 Bath | \$1,250,000 | N/A | \$8,432,000 | \$24,150,000 |
| Three Bedroom | \$2,400,000 | \$3,600,000 | \$4,095,000 | \$10,800,000 |
| Gross Sales Income, Market Units | \$3,650,000 | \$8,100,000 | \$16,802,000 | \$46,975,000 |
| Gross Sales Income, Inclusionary Units (1) | \$356,061 | \$474,187 | \$1,106,316 | \$2,293,467 |
| Total Gross Sales | \$4,006,061 | \$8,574,187 | \$17,908,316 | \$49,268,467 |
| Total Direct Cost Except Land (2) | \$2,366,921 | \$6,324,300 | \$13,808,071 | \$48,721,053 |
| Less: Fee Deferral Cost Savings | \$11,249 | \$28,708 | \$75,316 | \$150,833 |
| Less: Afford. Unit Design Modif. | \$94,740 | \$123,425 | \$212,074 | \$633,989 |
| Net Direct Cost Except Land | \$2,260,933 | \$6,172,167 | \$13,520,681 | \$47,936,231 |
| Residual Land Value | \$1,745,128 | \$2,402,019 | \$4,387,635 | \$1,332,236 |
| Land Value Per Unit | \$116,342 | \$72,788 | \$58,502 | \$8,882 |
| Land Value Per Square Foot | \$47.84 | \$62.66 | \$141.87 | \$30.58 |

(1) Assumes inclusionary units are sold at an affordable housing cost (including mortgage principal interest, taxes, insurance, homeowners association dues and utilities) to a household earning 90% of area median , adjusted for household size.

(2) Includes sales commissions and selling/closing costs.

Source: Interviews with Los Angeles area developers; Dataquick Information Service;

Table D-24
Long Beach Inclusionary Housing Analysis
Land Residual Analysis

"Package 5:" Owner Housing Prototypes with Off-Site Compliance, Fee Deferrals and Affordable Unit Modifications
Inclusionary Scenario 1: 10% of Units Affordable at 90% of Area Median Income

| | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|--|---------------------------|-------------|-------------------------------|-----------------------------|
| Prototype: | Small Lot S-F Detached | Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units, On- and Off-Site: | 11 | 24 | 55 | 110 |
| Total On-Site Units, Market Rate: | 10 | 22 | 50 | 100 |
| Off-Site Inclusionary Units, Scenario 1: | 1 | 2 | 5 | 10 |
| 90% AMI 10.0% | 1 | 2 | 5 | 10 |
| Per Unit Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$300,000 |
| One Bedroom | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Total Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$3,000,000 |
| One Bedroom | N/A | N/A | \$1,260,000 | \$3,000,000 |
| Two Bedroom/1 Bath | N/A | \$3,250,000 | \$1,800,000 | \$3,250,000 |
| Two Bedroom/2 Bath | \$1,000,000 | N/A | \$6,200,000 | \$17,500,000 |
| Three Bedroom | \$1,800,000 | \$2,700,000 | \$3,150,000 | \$8,000,000 |
| Gross Sales Income, Market Units (1) | \$2,800,000 | \$5,950,000 | \$12,410,000 | \$34,750,000 |
| Gross Sales Income, Inclusionary Units (2) | \$165,761 | \$307,704 | \$702,619 | \$1,405,238 |
| Total Gross Sales | \$2,965,761 | \$6,257,704 | \$13,112,619 | \$36,155,238 |
| Total Cost (Except Land), On-Site Units (3) | \$1,809,494 | \$4,376,021 | \$9,277,044 | \$31,772,975 |
| Plus: Total Cost (Incl. Land), Off-Site Units (4) | \$221,017 | \$442,033 | \$1,105,084 | \$2,210,167 |
| Less: Fee Deferral Cost Savings | \$8,334 | \$20,941 | \$55,437 | \$110,642 |
| Less: Afford. Unit Design Modif. | \$47,370 | \$123,425 | \$181,778 | \$549,457 |
| Net Direct Cost | \$1,974,808 | \$4,673,688 | \$10,144,913 | \$33,323,044 |
| Residual Land Value | \$990,953 | \$1,584,016 | \$2,967,706 | \$2,832,195 |
| Land Value Per On-Site Unit | \$99,095 | \$72,001 | \$59,354 | \$28,322 |
| Land Value Per Square Foot | \$27.16 | \$41.32 | \$95.96 | \$65.02 |

(1) Assumes all on-site units are sold at market prices.

(2) Assumes off-site inclusionary units are sold at an affordable housing cost (including mortgage principal interest, taxes, insurance, homeowners association dues and utilities) to a household earning 90% of area median , adjusted for household size.

(3) Includes sales commissions and selling/closing costs.

(4) Based on average per unit development costs for owner townhome units incorporating 50 percent land cost savings.

Source: Interviews with Los Angeles area developers; Dataquik Information Service;

Table D-25
Long Beach Inclusionary Housing Analysis
Land Residual Analysis

"Package 6": Owner Housing Prototypes with Off-Site Rental Multi-Family Acquisition/Rehabilitation Compliance
Inclusionary Scenario 1: 10% of Units Affordable at 45% of Area Median Income

| | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|--|---------------------------|----------------|-------------------------------|-----------------------------|
| Prototype: | Small Lot S-F Detached | 0 Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units, On- and Off-Site | 11 | 24 | 55 | 110 |
| Total On-Site Units, Market Rate | 10 | 22 | 50 | 100 |
| Off-Site Inclusionary Units, Scenario 1: | 1 | 2 | 5 | 10 |
| 90% AMI 10.0% | 1 | 2 | 5 | 10 |
| Per Unit Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$300,000 |
| One Bedroom | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Total Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$3,000,000 |
| One Bedroom | N/A | N/A | \$1,260,000 | \$3,000,000 |
| Two Bedroom/1 Bath | N/A | \$3,250,000 | \$1,800,000 | \$3,250,000 |
| Two Bedroom/2 Bath | \$1,000,000 | N/A | \$6,200,000 | \$17,500,000 |
| Three Bedroom | \$1,800,000 | \$2,700,000 | \$3,150,000 | \$8,000,000 |
| Total Gross Sales Income, Market Units (1) | \$2,800,000 | \$5,950,000 | \$12,410,000 | \$34,750,000 |
| Total Direct Cost, Market Units (2) | \$1,809,494 | \$4,376,021 | \$9,277,044 | \$31,772,975 |
| Plus: Gap Cost, Acq/Rehab. Incls. Units (3) | \$84,693 | \$177,107 | \$465,240 | \$930,481 |
| Total Cost, All Units | \$1,894,188 | \$4,553,128 | \$9,742,285 | \$32,703,456 |
| Residual Land Value | \$905,812 | \$1,396,872 | \$2,667,715 | \$2,046,544 |
| Land Value Per On-Site Unit | \$90,581 | \$63,494 | \$53,354 | \$20,465 |
| Land Value Per Square Foot | \$24.83 | \$36.44 | \$86.26 | \$46.98 |

(1) Assumes all on-site units are sold at market prices.

(2) Includes sales commissions and selling/closing costs.

(3) Assumes inclusionary obligation is met through off-site acquisition and rehabilitation of multifamily rental units affordable to households at 45% of area median income, adjusted for household size. Equals affordability gap between "moderate" acquisition/rehabilitation costs and supportable mortgage at affordable rents.

Source: Interviews with Los Angeles area developers; Dataquick Information Service;

Table D-26
Long Beach Inclusionary Housing Analysis
Land Residual Analysis
"Package 2": Owner Housing Prototypes with Fee Deferral and Affordable Unit Design Modifications
Inclusionary Scenario 2: 15% of Units Affordable at 90% of Area Median Income

| | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|--|---------------------------|-------------|-------------------------------|-----------------------------|
| Prototype: | Small Lot S-F Detached | Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units: | 10 | 22 | 50 | 100 |
| Inclusionary Units, Scenario 1: | 4 | 8 | 18 | 38 |
| 90% AMI 15.0% | 2 | 4 | 9 | 19 |
| Per Unit Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$300,000 |
| One Bedroom | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Total Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$2,400,000 |
| One Bedroom | N/A | N/A | \$1,080,000 | \$2,400,000 |
| Two Bedroom/1 Bath | N/A | \$2,750,000 | \$1,575,000 | \$2,600,000 |
| Two Bedroom/2 Bath | \$1,000,000 | N/A | \$5,208,000 | \$15,050,000 |
| Three Bedroom | \$1,500,000 | \$2,400,000 | \$2,835,000 | \$7,200,000 |
| Gross Sales Income, Market Units | \$2,500,000 | \$5,150,000 | \$10,698,000 | \$29,650,000 |
| Gross Sales Income, Inclusionary Units (1) | \$165,761 | \$449,647 | \$986,506 | \$2,053,125 |
| Total Gross Sales | \$2,665,761 | \$5,599,647 | \$11,684,506 | \$31,703,125 |
| Total Direct Cost Except Land (2) | \$1,809,494 | \$4,376,021 | \$9,277,044 | \$31,772,975 |
| Less: Fee Deferral Cost Savings | \$7,576 | \$19,196 | \$50,397 | \$100,584 |
| Less: Afford. Unit Design Modif. | \$47,370 | \$122,425 | \$198,139 | \$581,623 |
| Net Direct Cost Except Land | \$1,754,548 | \$4,234,400 | \$9,028,508 | \$31,090,769 |
| Residual Land Value | \$911,212 | \$1,365,247 | \$2,655,998 | \$612,357 |
| Land Value Per Unit | \$91,121 | \$62,057 | \$53,120 | \$6,124 |
| Land Value Per Square Foot | \$24.98 | \$35.62 | \$85.88 | \$14.06 |

(1) Assumes inclusionary units are sold at an affordable housing cost (including mortgage principal interest, taxes, insurance, homeowners association dues and utilities) to a household earning 90% of area median , adjusted for household size.

(2) Includes sales commissions and selling/closing costs.

Source: Interviews with Los Angeles area developers; Dataquick Information Service;

Table D-27
Long Beach Inclusionary Housing Analysis
Land Residual Analysis

"Package 3": Owner Housing Prototypes with 25% Density Bonus, Fee Deferral and Affordable Unit Design Modifications
Inclusionary Scenario 2: 15% of Units Affordable at 90% of Area Median Income

| | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|--|---------------------------|-------------|-------------------------------|-----------------------------|
| Prototype: | Small Lot S-F Detached | Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units: | 13 | 28 | 63 | 125 |
| Inclusionary Units, Scenario 1: | 4 | 8 | 18 | 38 |
| 90% AMI 15.0% | 2 | 4 | 9 | 19 |
| Per Unit Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$300,000 |
| One Bedroom | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Total Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$3,300,000 |
| One Bedroom | N/A | N/A | \$1,440,000 | \$3,300,000 |
| Two Bedroom/1 Bath | N/A | \$3,500,000 | \$1,800,000 | \$3,575,000 |
| Two Bedroom/2 Bath | \$1,000,000 | N/A | \$6,696,000 | \$18,900,000 |
| Three Bedroom | \$2,100,000 | \$3,000,000 | \$3,465,000 | \$7,600,000 |
| Gross Sales Income, Market Units | \$3,100,000 | \$6,500,000 | \$13,401,000 | \$36,675,000 |
| Gross Sales Income, Inclusionary Units (1) | \$356,061 | \$616,130 | \$1,414,020 | \$2,981,049 |
| Total Gross Sales | \$3,456,061 | \$7,116,130 | \$14,815,020 | \$39,656,049 |
| Total Direct Cost Except Land (2) | \$2,130,329 | \$5,488,150 | \$11,889,228 | \$40,457,341 |
| Less: Fee Deferral Cost Savings | \$9,764 | \$24,355 | \$63,345 | \$125,188 |
| Less: Afford. Unit Design Modif. | \$94,740 | \$163,233 | \$254,751 | \$736,723 |
| Net Direct Cost Except Land | \$2,025,825 | \$5,300,562 | \$11,571,132 | \$39,595,431 |
| Residual Land Value | \$1,430,236 | \$1,815,568 | \$3,243,888 | \$60,619 |
| Land Value Per Unit | \$110,018 | \$64,842 | \$51,490 | \$485 |
| Land Value Per Square Foot | \$39.20 | \$47.36 | \$104.89 | \$1.39 |

(1) Assumes inclusionary units are sold at an affordable housing cost (including mortgage principal interest, taxes, insurance, homeowners association dues and utilities) to a household earning 90% of area median , adjusted for household size.

(2) Includes sales commissions and selling/closing costs.

Source: Interviews with Los Angeles area developers; Dataquick Information Service;

Table D-28
Long Beach Inclusionary Housing Analysis
Land Residual Analysis

"Package 4": Owner Housing Prototypes With 50% Density Bonus, Fee Deferral and Affordable Unit Design Modifications
Inclusionary Scenario 2: 15% of Units Affordable at 90% of Area Median Income

| | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|--|---------------------------|-------------|-------------------------------|-----------------------------|
| Prototype: | Small Lot S-F Detached | Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units: | 15 | 33 | 75 | 150 |
| Inclusionary Units, Scenario 1: | 2 | 5 | 11 | 23 |
| 90% AMI 15.0% | 2 | 5 | 11 | 23 |
| Per Unit Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$300,000 |
| One Bedroom | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Total Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$3,900,000 |
| One Bedroom | N/A | N/A | \$1,620,000 | \$3,900,000 |
| Two Bedroom/1 Bath | N/A | \$4,250,000 | \$2,250,000 | \$4,225,000 |
| Two Bedroom/2 Bath | \$1,250,000 | N/A | \$8,184,000 | \$22,050,000 |
| Three Bedroom | \$2,400,000 | \$3,300,000 | \$3,780,000 | \$10,000,000 |
| Gross Sales Income, Market Units | \$3,650,000 | \$7,550,000 | \$15,834,000 | \$44,075,000 |
| Gross Sales Income, Inclusionary Units (1) | \$356,061 | \$806,430 | \$1,715,348 | \$3,668,632 |
| Total Gross Sales | \$4,006,061 | \$8,356,430 | \$17,549,348 | \$47,743,632 |
| Total Direct Cost Except Land (2) | \$2,366,921 | \$6,324,300 | \$13,808,071 | \$48,721,053 |
| Less: Fee Deferral Cost Savings | \$11,249 | \$28,708 | \$75,316 | \$150,833 |
| Less: Afford. Unit Design Modif. | \$94,740 | \$204,042 | \$311,362 | \$891,822 |
| Net Direct Cost Except Land | \$2,260,933 | \$6,091,551 | \$13,421,393 | \$47,678,398 |
| Residual Land Value | \$1,745,128 | \$2,264,880 | \$4,127,956 | \$65,234 |
| Land Value Per Unit | \$116,342 | \$68,633 | \$55,039 | \$435 |
| Land Value Per Square Foot | \$47.84 | \$59.08 | \$133.47 | \$1.50 |

(1) Assumes inclusionary units are sold at an affordable housing cost (including mortgage principal interest, taxes, insurance, homeowners association dues and utilities) to a household earning 90% of area median , adjusted for household size.

(2) Includes sales commissions and selling/closing costs.

Source: Interviews with Los Angeles area developers; Dataquick Information Service;

Table D-29
Long Beach Inclusionary Housing Analysis
Land Residual Analysis

"Package 5:" Owner Housing Prototypes with Off-Site Compliance, Fee Deferrals and Affordable Unit Modifications
Inclusionary Scenario 2: 15% of Units Affordable at 90% of Area Median Income

| | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|--|---------------------------|-------------|-------------------------------|-----------------------------|
| Prototype: | Small Lot S-F Detached | Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units, On- and Off-Site: | 11 | 25 | 57 | 115 |
| Total On-Site Units, Market Rate: | 10 | 22 | 50 | 100 |
| Off-Site Inclusionary Units, Scenario 1: | 1 | 3 | 7 | 15 |
| 90% AMI 15.0% | 1 | 3 | 7 | 15 |
| Per Unit Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$300,000 |
| One Bedroom | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Total Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$3,000,000 |
| One Bedroom | N/A | N/A | \$1,260,000 | \$3,000,000 |
| Two Bedroom/1 Bath | N/A | \$3,250,000 | \$1,800,000 | \$3,250,000 |
| Two Bedroom/2 Bath | \$1,000,000 | N/A | \$6,200,000 | \$17,500,000 |
| Three Bedroom | \$1,800,000 | \$2,700,000 | \$3,150,000 | \$8,000,000 |
| Gross Sales Income, Market Units (1) | \$2,800,000 | \$5,950,000 | \$12,410,000 | \$34,750,000 |
| Gross Sales Income, Inclusionary Units (2) | \$165,761 | \$449,647 | \$986,506 | \$2,053,125 |
| Total Gross Sales | \$2,965,761 | \$6,399,647 | \$13,396,506 | \$36,803,125 |
| Total Cost (Except Land), On-Site Units (3) | \$1,809,494 | \$4,376,021 | \$9,277,044 | \$31,772,975 |
| Plus: Total Cost (Incl. Land), Off-Site Units (4) | \$221,017 | \$663,050 | \$1,547,117 | \$3,315,251 |
| Less: Fee Deferral Cost Savings | \$8,334 | \$21,814 | \$57,453 | \$115,671 |
| Less: Afford. Unit Design Modif. | \$94,740 | \$163,233 | \$254,751 | \$736,723 |
| Net Direct Cost | \$1,927,438 | \$4,854,024 | \$10,511,958 | \$34,235,833 |
| Residual Land Value | \$1,038,323 | \$1,545,623 | \$2,884,548 | \$2,567,292 |
| Land Value Per On-Site Unit | \$103,832 | \$70,256 | \$57,691 | \$25,673 |
| Land Value Per Square Foot | \$28.46 | \$40.32 | \$93.27 | \$58.94 |

(1) Assumes all on-site units are sold at market prices.

(2) Assumes off-site inclusionary units are sold at an affordable housing cost (including mortgage principal interest, taxes, insurance, homeowners association dues and utilities) to a household earning 90% of area median , adjusted for household size.

(3) Includes sales commissions and selling/closing costs.

(4) Based on average per unit development costs for owner townhome units incorporating 50 percent land cost savings.

Source: Interviews with Los Angeles area developers; Dataquik Information Service;

Table D-30
Long Beach Inclusionary Housing Analysis
Land Residual Analysis

"Package 6": Owner Housing Prototypes with Off-Site Rental Multi-Family Acquisition/Rehabilitation Compliance
Inclusionary Scenario 2: 15% of Units Affordable at 90% of Area Median Income

| | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|--|---------------------------|----------------|-------------------------------|-----------------------------|
| Prototype: | Small Lot S-F Detached | 0 Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units, On- and Off-Site | 11 | 25 | 57 | 115 |
| Total On-Site Units, Market Rate | 10 | 22 | 50 | 100 |
| Off-Site Inclusionary Units, Scenario 1: | 1 | 3 | 7 | 15 |
| 90% AMI 15.0% | 1 | 3 | 7 | 15 |
| Per Unit Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$300,000 |
| One Bedroom | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Total Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$3,000,000 |
| One Bedroom | N/A | N/A | \$1,260,000 | \$3,000,000 |
| Two Bedroom/1 Bath | N/A | \$3,250,000 | \$1,800,000 | \$3,250,000 |
| Two Bedroom/2 Bath | \$1,000,000 | N/A | \$6,200,000 | \$17,500,000 |
| Three Bedroom | \$1,800,000 | \$2,700,000 | \$3,150,000 | \$8,000,000 |
| Total Gross Sales Income, Market Units (1) | \$2,800,000 | \$5,950,000 | \$12,410,000 | \$34,750,000 |
| Total Direct Cost, Market Units (2) | \$1,809,494 | \$4,376,021 | \$9,277,044 | \$31,772,975 |
| Plus: Gap Cost, Acq/Rehab. Incls. Units (3) | \$84,693 | \$269,520 | \$650,068 | \$1,414,335 |
| Total Cost, All Units | \$1,894,188 | \$4,645,541 | \$9,927,112 | \$33,187,310 |
| Residual Land Value | \$905,812 | \$1,304,459 | \$2,482,888 | \$1,562,690 |
| Land Value Per On-Site Unit | \$90,581 | \$59,294 | \$49,658 | \$15,627 |
| Land Value Per Square Foot | \$24.83 | \$34.03 | \$80.28 | \$35.87 |

(1) Assumes all on-site units are sold at market prices.

(2) Includes sales commissions and selling/closing costs.

(3) Assumes inclusionary obligation is met through off-site acquisition and rehabilitation of multifamily rental units affordable to households at 45% of area median income, adjusted for household size. Equals affordability gap between "moderate" acquisition/rehabilitation costs and supportable mortgage at affordable rents.

Source: Interviews with Los Angeles area developers; Dataquick Information Service;

Table D-31
Long Beach Inclusionary Housing Analysis
Land Residual Analysis
"Package 2": Owner Housing Prototypes with Fee Deferral and Affordable Unit Design Modifications
Inclusionary Scenario 3: 20% of Units Affordable at 90% of Area Median Income

| | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|--|---------------------------|-------------|-------------------------------|-----------------------------|
| Prototype: | Small Lot S-F Detached | Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units: | 10 | 22 | 50 | 100 |
| Inclusionary Units, Scenario 1: | 6 | 12 | 26 | 50 |
| 90% AMI 20.0% | 3 | 6 | 13 | 25 |
| Per Unit Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$300,000 |
| One Bedroom | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Total Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$2,400,000 |
| One Bedroom | N/A | N/A | \$1,080,000 | \$2,400,000 |
| Two Bedroom/1 Bath | N/A | \$2,500,000 | \$1,350,000 | \$2,600,000 |
| Two Bedroom/2 Bath | \$750,000 | N/A | \$4,960,000 | \$14,000,000 |
| Three Bedroom | \$1,500,000 | \$2,400,000 | \$2,520,000 | \$6,400,000 |
| Gross Sales Income, Market Units | \$2,250,000 | \$4,900,000 | \$9,910,000 | \$27,800,000 |
| Gross Sales Income, Inclusionary Units (1) | \$307,704 | \$591,591 | \$1,436,153 | \$2,810,477 |
| Total Gross Sales | \$2,557,704 | \$5,491,591 | \$11,346,153 | \$30,610,477 |
| Total Direct Cost Except Land (2) | \$1,809,494 | \$4,376,021 | \$9,277,044 | \$31,772,975 |
| Less: Fee Deferral Cost Savings | \$7,576 | \$19,196 | \$50,397 | \$100,584 |
| Less: Afford. Unit Design Modif. | \$81,781 | \$162,567 | \$303,727 | \$845,319 |
| Net Direct Cost Except Land | \$1,720,138 | \$4,194,258 | \$8,922,920 | \$30,827,073 |
| Residual Land Value | \$837,566 | \$1,297,332 | \$2,423,233 | (\$216,596) |
| Land Value Per Unit | \$83,757 | \$58,970 | \$48,465 | (\$2,166) |
| Land Value Per Square Foot | \$22.96 | \$33.84 | \$78.35 | (\$4.97) |

(1) Assumes inclusionary units are sold at an affordable housing cost (including mortgage principal interest, taxes, insurance, homeowners association dues and utilities) to a household earning 90% of area median , adjusted for household size.

(2) Includes sales commissions and selling/closing costs.

Source: Interviews with Los Angeles area developers; Dataquick Information Service;

Table D-32
Long Beach Inclusionary Housing Analysis
Land Residual Analysis

"Package 3": Owner Housing Prototypes with 25% Density Bonus, Fee Deferral and Affordable Unit Design Modifications
Inclusionary Scenario 3: 20% of Units Affordable at 90% of Area Median Income

| | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|--|---------------------------|-------------|-------------------------------|-----------------------------|
| Prototype: | Small Lot S-F Detached | Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units: | 13 | 28 | 63 | 125 |
| Inclusionary Units, Scenario 1: | 6 | 12 | 26 | 50 |
| 90% AMI 20.0% | 3 | 6 | 13 | 25 |
| Per Unit Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$300,000 |
| One Bedroom | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Total Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$3,000,000 |
| One Bedroom | N/A | N/A | \$1,260,000 | \$3,000,000 |
| Two Bedroom/1 Bath | N/A | \$3,250,000 | \$1,800,000 | \$3,250,000 |
| Two Bedroom/2 Bath | \$1,000,000 | N/A | \$6,200,000 | \$17,850,000 |
| Three Bedroom | \$1,800,000 | \$2,700,000 | \$3,150,000 | \$7,600,000 |
| Gross Sales Income, Market Units | \$2,800,000 | \$5,950,000 | \$12,410,000 | \$34,700,000 |
| Gross Sales Income, Inclusionary Units (1) | \$546,361 | \$948,374 | \$2,046,870 | \$3,842,332 |
| Total Gross Sales | \$3,346,361 | \$6,898,374 | \$14,456,870 | \$38,542,332 |
| Total Direct Cost Except Land (2) | \$2,130,329 | \$5,488,150 | \$11,889,228 | \$40,457,341 |
| Less: Fee Deferral Cost Savings | \$9,764 | \$24,355 | \$63,345 | \$125,188 |
| Less: Afford. Unit Design Modif. | \$122,671 | \$243,850 | \$394,845 | \$1,056,649 |
| Net Direct Cost Except Land | \$1,997,894 | \$5,219,945 | \$11,431,037 | \$39,275,505 |
| Residual Land Value | \$1,348,467 | \$1,678,428 | \$3,025,833 | (\$733,172) |
| Land Value Per Unit | \$103,728 | \$59,944 | \$48,029 | (\$5,865) |
| Land Value Per Square Foot | \$36.96 | \$43.79 | \$97.84 | (\$16.83) |

(1) Assumes inclusionary units are sold at an affordable housing cost (including mortgage principal interest, taxes, insurance, homeowners association dues and utilities) to a household earning 90% of area median , adjusted for household size.

(2) Includes sales commissions and selling/closing costs.

Source: Interviews with Los Angeles area developers; Dataquick Information Service;

Table D-33
Long Beach Inclusionary Housing Analysis
Land Residual Analysis

"Package 4": Owner Housing Prototypes With 50% Density Bonus, Fee Deferral and Affordable Unit Design Modifications
Inclusionary Scenario 3: 20% of Units Affordable at 90% of Area Median Income

| | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|--|---------------------------|-------------|-------------------------------|-----------------------------|
| Prototype: | Small Lot S-F Detached | Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units: | 15 | 33 | 75 | 150 |
| Inclusionary Units, Scenario 1: | 3 | 7 | 15 | 30 |
| 90% AMI 20.0% | 3 | 7 | 15 | 30 |
| Per Unit Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$300,000 |
| One Bedroom | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Total Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$3,600,000 |
| One Bedroom | N/A | N/A | \$1,620,000 | \$3,600,000 |
| Two Bedroom/1 Bath | N/A | \$4,000,000 | \$2,250,000 | \$3,900,000 |
| Two Bedroom/2 Bath | \$1,250,000 | N/A | \$7,440,000 | \$21,000,000 |
| Three Bedroom | \$2,100,000 | \$3,000,000 | \$3,465,000 | \$9,600,000 |
| Gross Sales Income, Market Units | \$3,350,000 | \$7,000,000 | \$14,775,000 | \$41,700,000 |
| Gross Sales Income, Inclusionary Units (1) | \$546,361 | \$1,138,674 | \$2,402,931 | \$4,720,215 |
| Total Gross Sales | \$3,896,361 | \$8,138,674 | \$17,177,931 | \$46,420,215 |
| Total Direct Cost Except Land (2) | \$2,366,921 | \$6,324,300 | \$13,808,071 | \$48,721,053 |
| Less: Fee Deferral Cost Savings | \$11,249 | \$28,708 | \$75,316 | \$150,833 |
| Less: Afford. Unit Design Modif. | \$122,671 | \$284,492 | \$455,591 | \$1,267,979 |
| Net Direct Cost Except Land | \$2,233,002 | \$6,011,101 | \$13,277,164 | \$47,302,242 |
| Residual Land Value | \$1,663,360 | \$2,127,573 | \$3,900,767 | (\$882,026) |
| Land Value Per Unit | \$110,891 | \$64,472 | \$52,010 | (\$5,880) |
| Land Value Per Square Foot | \$45.59 | \$55.50 | \$126.13 | (\$20.25) |

(1) Assumes inclusionary units are sold at an affordable housing cost (including mortgage principal interest, taxes, insurance, homeowners association dues and utilities) to a household earning 90% of area median , adjusted for household size.

(2) Includes sales commissions and selling/closing costs.

Source: Interviews with Los Angeles area developers; Dataquick Information Service;

Table D-34
Long Beach Inclusionary Housing Analysis
Land Residual Analysis

"Package 5:" Owner Housing Prototypes with Off-Site Compliance, Fee Deferrals and Affordable Unit Modifications
Inclusionary Scenario 3: 20% of Units Affordable at 90% of Area Median Income

| | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|--|---------------------------|-------------|-------------------------------|-----------------------------|
| Prototype: | Small Lot S-F Detached | Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units, On- and Off-Site: | 12 | 26 | 60 | 120 |
| Total On-Site Units, Market Rate: | 10 | 22 | 50 | 100 |
| Off-Site Inclusionary Units, Scenario 1: | 2 | 4 | 10 | 20 |
| 90% AMI 20.0% | 2 | 4 | 10 | 20 |
| Per Unit Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$300,000 |
| One Bedroom | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Total Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$3,000,000 |
| One Bedroom | N/A | N/A | \$1,260,000 | \$3,000,000 |
| Two Bedroom/1 Bath | N/A | \$3,250,000 | \$1,800,000 | \$3,250,000 |
| Two Bedroom/2 Bath | \$1,000,000 | N/A | \$6,200,000 | \$17,500,000 |
| Three Bedroom | \$1,800,000 | \$2,700,000 | \$3,150,000 | \$8,000,000 |
| Gross Sales Income, Market Units (1) | \$2,800,000 | \$5,950,000 | \$12,410,000 | \$34,750,000 |
| Gross Sales Income, Inclusionary Units (2) | \$307,704 | \$591,591 | \$1,436,153 | \$2,810,477 |
| Total Gross Sales | \$3,107,704 | \$6,541,591 | \$13,846,153 | \$37,560,477 |
| Total Cost (Except Land), On-Site Units (3) | \$1,809,494 | \$4,376,021 | \$9,277,044 | \$31,772,975 |
| Plus: Total Cost (Incl. Land), Off-Site Units (4) | \$442,033 | \$884,067 | \$2,210,167 | \$4,420,335 |
| Less: Fee Deferral Cost Savings | \$9,091 | \$22,686 | \$60,477 | \$120,700 |
| Less: Afford. Unit Design Modif. | \$122,671 | \$243,850 | \$394,845 | \$1,056,649 |
| Net Direct Cost | \$2,119,766 | \$4,993,552 | \$11,031,890 | \$35,015,961 |
| Residual Land Value | \$987,938 | \$1,548,039 | \$2,814,263 | \$2,544,516 |
| Land Value Per On-Site Unit | \$98,794 | \$70,365 | \$56,285 | \$25,445 |
| Land Value Per Square Foot | \$27.08 | \$40.38 | \$91.00 | \$58.41 |

(1) Assumes all on-site units are sold at market prices.

(2) Assumes off-site inclusionary units are sold at an affordable housing cost (including mortgage principal interest, taxes, insurance, homeowners association dues and utilities) to a household earning 90% of area median , adjusted for household size.

(3) Includes sales commissions and selling/closing costs.

(4) Based on average per unit development costs for owner townhome units incorporating 50 percent land cost savings.

Source: Interviews with Los Angeles area developers; Dataquik Information Service;

Table D-35
Long Beach Inclusionary Housing Analysis
Land Residual Analysis

"Package 6": Owner Housing Prototypes with Off-Site Rental Multi-Family Acquisition/Rehabilitation Compliance
Inclusionary Scenario 3: 20% of Units Affordable at 90% of Area Median Income

| | Owner 1 | Owner 2 | Owner 3 | Owner 4 |
|--|---------------------------|----------------|-------------------------------|-----------------------------|
| Prototype: | Small Lot S-F Detached | 0 Townhomes | Type V Stacked Flat Condos | Type I High- Rise Condos |
| Total Units, On- and Off-Site | 12 | 26 | 60 | 120 |
| Total On-Site Units, Market Rate | 10 | 22 | 50 | 100 |
| Off-Site Inclusionary Units, Scenario 1: | 2 | 4 | 10 | 20 |
| 90% AMI 20.0% | 2 | 4 | 10 | 20 |
| Per Unit Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$300,000 |
| One Bedroom | N/A | N/A | \$180,000 | \$300,000 |
| Two Bedroom/1 Bath | N/A | \$250,000 | \$225,000 | \$325,000 |
| Two Bedroom/2 Bath | \$250,000 | N/A | \$248,000 | \$350,000 |
| Three Bedroom | \$300,000 | \$300,000 | \$315,000 | \$400,000 |
| Total Market Sales Prices | | | | |
| Lofts | N/A | N/A | N/A | \$3,000,000 |
| One Bedroom | N/A | N/A | \$1,260,000 | \$3,000,000 |
| Two Bedroom/1 Bath | N/A | \$3,250,000 | \$1,800,000 | \$3,250,000 |
| Two Bedroom/2 Bath | \$1,000,000 | N/A | \$6,200,000 | \$17,500,000 |
| Three Bedroom | \$1,800,000 | \$2,700,000 | \$3,150,000 | \$8,000,000 |
| Total Gross Sales Income, Market Units (1) | \$2,800,000 | \$5,950,000 | \$12,410,000 | \$34,750,000 |
| Total Direct Cost, Market Units (2) | \$1,809,494 | \$4,376,021 | \$9,277,044 | \$31,772,975 |
| Plus: Gap Cost, Acq/Rehab. Incls. Units (3) | \$177,107 | \$361,934 | \$919,588 | \$1,860,962 |
| Total Cost, All Units | \$1,986,601 | \$4,737,955 | \$10,196,632 | \$33,633,937 |
| Residual Land Value | \$813,399 | \$1,212,045 | \$2,213,368 | \$1,116,063 |
| Land Value Per On-Site Unit | \$81,340 | \$55,093 | \$44,267 | \$11,161 |
| Land Value Per Square Foot | \$22.30 | \$31.62 | \$71.57 | \$25.62 |

(1) Assumes all on-site units are sold at market prices.

(2) Includes sales commissions and selling/closing costs.

(3) Assumes inclusionary obligation is met through off-site acquisition and rehabilitation of multifamily rental units affordable to households at 45% of area median income, adjusted for household size. Equals affordability gap between "moderate" acquisition/rehabilitation costs and supportable mortgage at affordable rents.

Source: Interviews with Los Angeles area developers; Dataquick Information Service;

Attachment 1
Home and Condominium Sales Prices
City of Long Beach

Attachment 1
SINGLE-FAMILY HOME SALES AND VACANT LAND COSTS
CITY OF LONG BEACH
January 1, 1999 through February 15, 2003
Units Built 1999 or Later

| No. | Address | Zip Code | Home Sale | | | | | | Vacant Land Sale Prior to Construction | | | | | |
|-----|------------------------|----------|-------------------|-----------|------------|-------------|-------------------|--------------------|--|------------------|--------------------|----------------|--------------------|-------------|
| | | | Total Sales Price | Date Sold | Year Built | Square Feet | Price Per Sq. Ft. | Bedrooms/Bathrooms | Date Sold | Total Land Price | Lot Size (Sq. Ft.) | Price/ Sq. Ft. | No. of Units Built | Price/ Unit |
| | 1010 Temple Ave. | 90804 | \$160,000 | 4/28/00 | 1999 | 820 | \$195 | 3/1.0 | 7/7/99 | \$127,500 | 2,800 | \$45.54 | 1 | \$127,500 |
| | 1051 E. Salt Lake St. | 90806 | \$174,000 | 1/6/00 | 1999 | 1,588 | \$110 | 3/3.0 | 1/12/99 | \$18,000 | 5,197 | \$3.46 | 1 | \$18,000 |
| | 1051 Orange Ave. | | \$169,000 | 8/11/99 | 1999 | 1,826 | \$93 | 4/2.0 | 11/18/98 | \$32,500 | 7,497 | \$4.34 | 1 | \$32,500 |
| | 209 E. 31st St. | 90807 | \$229,000 | 4/18/00 | 1999 | 2,101 | \$109 | 4/3.0 | 3/5/99 | \$50,000 | 6,499 | \$7.69 | 1 | \$50,000 |
| | 2605 E. 7th St. | | \$249,000 | 9/17/99 | 1999 | 2,385 | \$104 | 3/3.0 | 8/4/94 | N/A | 6,160 | N/A | 1 | N/A |
| | 2636 De Forest Ave. | 90806 | \$231,000 | 8/6/01 | 1999 | 1,234 | \$187 | 3/2.0 | 11/20/98 | \$110,000 | 3,000 | \$36.67 | 1 | \$110,000 |
| | 3238 Sante Fe Ave. | | \$169,000 | 1/28/00 | 1999 | 1,547 | \$109 | 3/3.0 | 2/24/99 | \$85,000 | 2,496 | | 1 | |
| | 3240 Sante Fe Ave. | | \$170,000 | 3/27/00 | 1999 | 1,547 | \$110 | 3/3.0 | | | 2,496 | | 1 | |
| | 3242 Sante Fe Ave. | | \$185,000 | 9/6/00 | 1999 | 1,547 | \$120 | 3/3.0 | 3/24/00 | \$170,000 | 2,496 | | 1 | |
| | Subtotal | | | | | | | | | \$255,000 | 7,488 | \$34.05 | 3 | \$85,000 |
| | 3644 Falcon Ave. | 90807 | \$375,000 | 4/10/00 | 1999 | 2,363 | \$159 | 3/3.0 | 10/7/98 | \$140,000 | 6,377 | \$21.95 | 1 | \$140,000 |
| | 3835 E. 10th St. | 90804 | \$330,000 | 1/17/03 | 1999 | 1,914 | \$172 | 3/3.0 | N/A | N/A | 4,722 | N/A | 1 | N/A |
| | 5929 Spinnaker Bay Dr. | | \$650,000 | 9/24/99 | 1999 | 2,916 | \$223 | 3/4.0 | N/A | N/A | 3,731 | N/A | 1 | N/A |
| | 6615 Curtis Ave. | 90805 | \$130,000 | 9/4/02 | 1999 | 1,377 | \$94 | 4/2.0 | 7/3/01 | N/A | 5,400 | N/A | 1 | N/A |
| | 727 Magnolia Ave. | | \$151,000 | 11/29/99 | 1999 | 1,322 | \$114 | 3/2.0 | 1/8/97 | \$15,000 | 2,949 | \$5.09 | 1 | \$15,000 |
| | 1116 E. 10th St. | | \$155,000 | 9/8/00 | 2000 | 1,258 | \$123 | 3/2.0 | 12/8/99 | \$37,000 | 5,000 | \$7.40 | 1 | \$37,000 |
| | 1142 Lime Ave. | | \$186,000 | 12/26/00 | 2000 | 1,579 | \$118 | 3/3.0 | 4/6/00 | \$34,000 | 3,899 | \$8.72 | 1 | \$34,000 |
| | 1420 E. 10th St. | | \$178,000 | 4/27/00 | 2000 | 2,583 | \$69 | 3/2.0 | 8/17/99 | \$35,000 | 5,197 | \$6.73 | 1 | \$35,000 |
| | 1812 Junipero Ave. | | \$275,000 | 9/27/01 | 2000 | 1,420 | \$194 | 3/3.0 | N/A | N/A | N/A | N/A | N/A | N/A |
| | 1840 Junipero Ave. | | \$257,500 | 4/12/01 | 2000 | 1,581 | \$163 | 3/3.0 | N/A | N/A | N/A | N/A | N/A | N/A |
| | 3086 Pasadena Ave. | 90807 | | | | | | | | | | | | |
| | 320 Lime Ave. | | \$165,000 | 2/12/01 | 2000 | 1,498 | \$110 | 3/2.0 | 5/12/99 | \$15,000 | 2,496 | \$6.01 | 1 | \$15,000 |
| | 3230 Pine Ave. | 90807 | \$390,000 | 9/30/02 | 2000 | 2,391 | \$163 | 4/2.0 | | | 7,497 | | 1 | |
| | 3236 Pine Ave. | 90807 | \$240,000 | 8/29/00 | 2000 | 2,199 | \$109 | 4/2.0 | | | 7,497 | | 1 | |
| | 3240 Pine Ave. | 90807 | \$234,000 | 10/13/00 | 2000 | 2,131 | \$110 | 4/3.0 | | | 7,497 | | 1 | |
| | Subtotal | | | | | | | | 9/2/99 | \$250,000 | 22,491 | \$11.12 | 3 | \$83,333 |
| | 3250 Pine Ave. | 90807 | \$250,000 | 9/29/00 | 2000 | 2,031 | \$123 | 3/2.0 | 6/15/00 | \$70,000 | 7,497 | \$9.34 | 1 | \$70,000 |
| | Total | | | | | | | | | \$320,000 | 29,988 | \$10.67 | 4 | \$80,000 |
| | 5211 E. Arbor Rd. | 90808 | \$440,000 | 10/20/00 | 2000 | 2,336 | \$188 | 4/3.0 | N/A | N/A | N/A | N/A | N/A | N/A |

Attachment 1
SINGLE-FAMILY HOME SALES AND VACANT LAND COSTS
CITY OF LONG BEACH
January 1, 1999 through February 15, 2003
Units Built 1999 or Later

| No. | Address | Zip Code | Home Sale | | | | | | Vacant Land Sale Prior to Construction | | | | | |
|-----|--------------------|----------|-------------------|-----------|------------|--------------|-------------------|--------------------|--|------------------|--------------------|----------------|--------------------|-----------------|
| | | | Total Sales Price | Date Sold | Year Built | Square Feet | Price Per Sq. Ft. | Bedrooms/Bathrooms | Date Sold | Total Land Price | Lot Size (Sq. Ft.) | Price/ Sq. Ft. | No. of Units Built | Price/ Unit |
| | 5655 E. The Toledo | 90803 | \$855,000 | 3/29/01 | 2000 | 3,147 | \$272 | 4/4.0 | 5/4/99 | \$400,000 | 2,601 | \$153.79 | 1 | \$400,000 |
| | 5657 E. The Toledo | 90803 | \$890,000 | 6/13/02 | 2000 | 2,586 | \$344 | 4/3.0 | 4/20/01 | N/A | 2,540 | N/A | 1 | N/A |
| | 1223 32nd St. | | \$218,000 | 2/13/02 | 2001 | 1,788 | \$122 | 3/3.0 | 4/27/01 | \$40,000 | 3,537 | \$11.31 | 1 | \$40,000 |
| | 1241 N. Norman Ct. | | \$219,000 | 6/26/02 | 2001 | 1,254 | \$175 | 3/2.0 | 1/28/00 | \$69,000 | 2,046 | \$33.72 | 1 | \$69,000 |
| | 2208 Delta Ave. | | \$250,000 | 1/10/02 | 2001 | 2,176 | \$115 | 4/3.0 | 7/19/00 | N/A | 5,120 | N/A | 1 | N/A |
| | 3086 Elm Ave. | 90807 | \$359,000 | 12/20/01 | 2001 | N/A | N/A | 4/3.0 | 9/21/01 | N/A | 6,500 | N/A | 1 | N/A |
| | 3400 Duchess Lane | | \$340,000 | 10/31/01 | 2001 | 1,830 | \$186 | 3/3.0 | | | | | 1 | |
| | 3402 Duchess Lane | | \$344,500 | 11/15/01 | 2001 | 1,878 | \$183 | 3/3.0 | | | | | 1 | |
| | 3404 Duchess Lane | | \$323,000 | 10/18/01 | 2001 | 1,713 | \$189 | 3/3.0 | | | | | 1 | |
| | 3406 Duchess Lane | | \$345,000 | 12/21/01 | 2001 | 1,878 | \$184 | 3/3.0 | | | | | 1 | |
| | 3408 Duchess Lane | | \$353,000 | 10/18/01 | 2001 | 1,878 | \$188 | 3/3.0 | | | | | 1 | |
| | 3412 Duchess Lane | | \$349,000 | 11/29/01 | 2001 | 1,878 | \$186 | 3/3.0 | | | | | 1 | |
| | 3415 Duchess Lane | | \$327,000 | 10/26/01 | 2001 | 1,713 | \$191 | 3/3.0 | | | | | 1 | |
| | 3416 Duchess Lane | | \$345,000 | 10/25/01 | 2001 | 1,878 | \$184 | 3/3.0 | | | | | 1 | |
| | 3417 Duchess Lane | | \$352,000 | 10/26/01 | 2001 | 1,878 | \$187 | 3/3.0 | | | | | 1 | |
| | Total | | | | | | | | 10/18/01 | \$353,000 | N/A | N/A | 9 | \$39,222 |
| | 70 62nd Place | 90803 | \$705,000 | 4/30/02 | 2001 | 2,196 | \$321 | 3/3.0 | 8/1/00 | \$240,000 | 1,999 | \$120.06 | 1 | \$240,000 |
| | 815 N. San Pablo | | \$158,500 | 11/20/01 | 2001 | 1,425 | \$111 | 4/3.0 | 4/17/00 | N/A | 3,398 | N/A | 1 | N/A |
| | Top of Range | | \$890,000 | | | 3,147 | \$344 | | | | 7,497 | \$153.79 | | \$400,000 |
| | Bottom of Range | | \$130,000 | | | 820 | \$69 | | | | 1,999 | \$3.46 | | \$15,000 |
| | Average | | \$306,560 | | | 1,868 | \$159 | | | | 4,633 | \$30.35 | | \$89,294 |
| | Median | | \$250,000 | | | 1,878 | \$163 | | | | 4,722 | \$9.34 | | \$50,000 |

Source: Dataquick Information Systems; David Paul Rosen & Associates

Attachment 1
CONDOMINIUM SALES
CITY OF LONG BEACH
January 1, 2001 through February 15, 2003
Units Built 1995 or Later

| No. | Address | Total Sales Price | Date Sold | Year Built | Square Feet | Price Per Sq. Ft. | Bedrooms/ Bathrooms |
|-----------------|-----------------------------|----------------------|--------------|---------------|----------------|----------------------|------------------------|
| 1. | 1861 Atlantic Ave. | \$110,000 | 1/3/01 | 1995 | 1,125 | \$98 | 3/3.0 |
| 2. | 2921 Claremore Ln. #41 | \$260,000 | 2/12/01 | 1995 | 1,292 | \$201 | 2/3.0 |
| 3. | 1857 Atlantic Ave. | \$126,000 | 7/2/01 | 1995 | 977 | \$129 | 2/2.0 |
| 4. | 1879 Atlantic Ave. #15 | \$126,000 | 9/20/01 | 1995 | 1,125 | \$112 | 3/3.0 |
| 5. | 2177 Cedar Ave. | \$230,000 | 7/31/02 | 1995 | 1,469 | \$157 | 3/3.0 |
| 6. | 4317 E. 3rd St. | \$545,000 | 8/9/02 | 1995 | 1,838 | \$297 | 4/3.0 |
| 7. | 2175 Cedar Ave. | \$233,500 | 1/13/03 | 1995 | 1,469 | \$159 | 3/3.0 |
| 1. | 154 W. Mountain View St. #C | \$240,500 | 6/12/02 | 1997 | 1,519 | \$158 | 3/3.0 |
| 2. | 3623 E. Vista St. | \$619,000 | 2/11/03 | 1997 | 1,785 | \$347 | 3/3.0 |
| 3. | 148 W. Mountain View St. #C | \$230,000 | 4/4/02 | 1998 | 1,600 | \$144 | 3/3.0 |
| 4. | 1500 E. Ocean Blvd. #513 | \$410,000 | 3/30/01 | 2000 | 1,326 | \$309 | 3/2.0 |
| 5. | 1500 E. Ocean Blvd. #518 | \$570,000 | 5/21/01 | 2000 | 1,551 | \$368 | 3/2.0 |
| 6. | 1500 E. Ocean Blvd. #617 | \$410,000 | 8/9/01 | 2000 | 1,282 | \$320 | 3/2.0 |
| 7. | 1500 E. Ocean Blvd. #101 | \$570,000 | 9/28/01 | 2000 | 1,500 | \$380 | 3/2.0 |
| 8. | 1500 E. Ocean Blvd. #101 | \$325,000 | 12/31/01 | 2000 | 1,282 | \$254 | 3/2.0 |
| Top of Range | | \$619,000 | | | 1,838 | \$380 | |
| Bottom of Range | | \$110,000 | | | 977 | \$98 | |
| Average | | \$333,667 | | | 1,409 | \$229 | |
| Median | | \$260,000 | | | 1,469 | \$201 | |

Source: Dataquick Information Systems; David Paul Rosen & Associates